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Faith and the State

A History of Islamic Philanthropy in Indonesia

AMELIA FAUZIA

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Syarif Hidayatullah

JAKARTA – INDONESIA

Faith and the State

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A History of Islamic Philanthropy in Indonesia

By

Amelia Fauzia

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To
Amir, Elkana and Farhan

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FOREWORD

ISLAMIC PHILANTHROPY IN INDONESIA

This book is very important and Dr Amelia Fauzia is the scholar best placed to have written it. It should be read by anyone interested in Islam in Indonesia, in Islamic philanthropy broadly or in the general question of how private faith and state power may relate to each other.

Philanthropy is one of the essential components of Islam. In the form of *zakat* (alms-giving) it is one of the 'five pillars' of Islamic faith and practice, along with the confession of faith, five daily prayers in the direction of Mecca, fasting during the month of Ramadan and the pilgrimage to Mecca for those who are able to undertake it. Islamic philanthropy also takes other forms—including specialised styles of *zakat*, *sedekah* (donations) and *waqf* (pious foundations or trusts). Philanthropy is thus central to Muslim life, yet our understanding of its history in Indonesia has, until now, been limited, not least because certain periods and aspects are poorly documented and rarely studied.

Dr Fauzia already had a strong background in the study of Islamic philanthropy before she committed herself to the research reported in this book. Her personal knowledge as a Muslim intellectual in Indonesia was of course crucial. As a member of the academic staff of the State Islamic University in Jakarta, she was Director of a Ford Foundation-funded research project on philanthropy for social justice in Muslim societies which studied six countries: Egypt, India, Indonesia, Turkey, Tanzania, and the United Kingdom.[1] Her range of languages encompassed those needed for a study such as this. Readers will note that the bibliography includes sources in Javanese, Malay/Indonesian, Arabic, English, French and Dutch.

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[1] See also her published contributions. E.g in Susan Blackburn, Bianca J. Smith and Siti Syamsiyatun (eds), *Indonesian Islam in a new era: How women negotiate their Muslim identities* (Clayton: Monash University Press, 2008); Irfan Abubakar and Chaider S. Bamualim (eds), *Filantrop Islam & keadilan sosial: Studi tentang potensi, tradisi dan pemanfaatan filantropi Islam di Indonesia* (Intro. Azyumardi Azra; Jakarta: Center for the Study of Religion and Culture, UIN Syarif Hidayatullah, 2006); Chaider S. Bamualim and Irfan Abubakar (eds), *Revitalisasi filantropi Islam: Studi kasus lembaga zakat dan wakaf di Indonesia* (Center for the Study of Religion and Culture, UIN Syarif Hidayatullah, 2005; translated into English as *Islamic philanthropy & social development in contemporary Indonesia*, 2006).

I was therefore delighted when she decided to tackle this long-range historical study of Islamic philanthropy in Indonesia for her doctoral thesis. The challenges of this subject are—as readers will soon learn from this book—formidable, but Dr Fauzia was formidably equipped to study it.

For the pre-nineteenth century period, there are few sources available but they are persuasively mobilised here. From these scattered snapshots of philanthropic practices in the early centuries, we gain a sense of the centrality of philanthropy to Muslim life. Where Dr Fauzia is obliged to rely on speculation, she does so persuasively. This early period is important also in showing that, from the earliest times, there was a tension between 'faith and the state', as her title evocatively puts it. When this study reaches the nineteenth century, the range of sources available expands. Once into the last century or so, Dr Fauzia faced that common challenge of modern and contemporary historians—an abundance of sources that can threaten to swamp anyone. The strategies that she adopted to deal with the multiple challenges of the evidence were successful and produced the fine book now before you.

Religions generally have expectations about followers' inner beliefs as well as about their outward conduct. The former is in practice beyond the actual reach of either religious authorities or states—no matter how much effort, persuasion or indeed violence may be employed to control what people think. There are always individuals who, even if they conform outwardly, may say to themselves deep inside that they just don't believe whatever it is that is being imposed on or expected of them. Outward conduct, on the other hand, lies in a public realm in which social pressures, encouragement, persuasion or coercion can be effective. Islamic philanthropy derives from the spiritual imperatives of the Islamic revelation but is at the same time a matter of public conduct, so at the very heart of the practice is implicit tension between private and public, between faith and the state. Thus, the central theme of this book is relevant not only to the Muslim experience, but to the lives of other believers and the experiences of authorities who have thought themselves responsible for the religious affairs of their subordinates.

In Indonesia, the balance between faith—represented both by private personal practice and by Muslim civil society organisations—and various states has differed from time to time, as this book illustrates. A sort of complementarity is visible: when states have been weak, civil society has strengthened, and vice-versa. The most remarkable period analysed here is that of Dutch colonial rule when, as Dr Fauzia shows, the state was rela-

tively powerful but chose to avoid as far as possible the political risks of interfering in Muslim religious life. So in this period Muslim civil society strengthened. Indeed, this was the period that saw the emergence of the most revolutionary modernising force in Islamic philanthropy in Indonesia—the extraordinary organisation Muhammadiyah, now just over a century old—which transformed how philanthropy was practiced by Indonesian Muslims. In independent Indonesia the pattern of complementarity between Muslim civil society and the state has again been visible, from the weak state of the early independence years, through the much more powerful New Order of Soeharto, to today's post-Soeharto, decentralised and much-weakened governments.

The Indonesian constitution effectively guarantees that faith-state tension will persist into the future. Dr Fauzia observes (p. 7 below) that if we accept that there are in principle three possible relationships between religion and the state—religion as the ideological basis of the state vs. state indifference to the private religious lives of its citizens vs. state hostility to religion—"then modern Indonesia sits somewhere between the ideological and the indifferent. Although the Indonesian Constitution … represents a secular state that acknowledges religion without referring to any specific faith as its ideology, Islam is a significant factor since the majority of the population is Muslim." We might add that, from its early days, the independent Indonesian state established a ministry of religion, charged with looking after all the world faiths recognised by the state, but in practice a heavily Islamic enterprise.

This involvement of the state with religion was powerfully advanced by the Soeharto regime, which found religion a valuable tool in its social-control and anti-Communist agendas. More recently, a Constitutional Court decision has reinforced this involvement. In a ruling of April 2010, the court commented,

> The state—consistent with the mandate of the Constitution—also has a responsibility to upgrade piety and noble character. … [T]here may be no activities that cause estrangement from religious standards and religiosity.[2]

It is thus unconstitutional either to deny religion a role in public life or to deny the state a role in religion, but what those roles should be will undoubtedly remain matters of controversy.

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[2] The Constitutional Court ruling is reported at http://www.mahkamahkonstitusi.go.id/index.php?page=website.BeritaInternalLengkap&id=3941

Here is an authoritative historical study of a centrally important topic, one that will continue to be relevant for the foreseeable future. We are all in Dr Fauzia's debt for giving us this important work.

M.C. Ricklefs

Professor Emeritus
The Australian National University

PREFACE

The first time I engaged with the study of philanthropy was in 2000, motivated by a piece of paper about philanthropy for social justice brought by Suzanne E. Siskel, at that time representative of the Ford Foundation, Jakarta and who later served as Ford Foundation's Director of Social Justice Philanthropy. When I mentioned the term to my Indonesian colleagues by adding "Islamic" as an adjective, most of them reacted in confusion. A few even asked why I wanted to study "Islamic" stamps, as they thought the term referred to *philately*. Explaining the term "philanthropy" and Islamic philanthropy are not simple because there is no Indonesian equivalent to the term. The quickest way was to mention the word *kedermawanan*—what in English is called "charity"—or to explain that it refers to the practice of z*akat* (almsgiving), *sedekah* (donation, giving) and *waqf* (religious endowment).

In early 2001 my colleagues and I gained confidence to use and introduce the word "*filantropi*", despite much resistance to the term coming from certain Muslim scholars and community-based *zakat* organisations in Indonesia. Most of them pointed to the fact that the term originates from the West. Yet there was no more substantial reason offered against the term that prevented us from using it. Then we launched a global research project on "Philanthropy for social justice in Muslim societies," covering six countries—Egypt, India, Indonesia, Turkey, Tanzania, and the United Kingdom—and supported by national and international Muslim intellectuals.[1] While in many countries the term "social justice" was sensitive, in Indonesia the term provided a positive impact to the study of philanthropy. Social justice is one of the principles stated in *Pancasila,* which is the ideological basis of the Indonesian state.

The study of Islamic philanthropy faced serious challenges after the horrific 9/11 terrorist attack, when the government of the United States began to wage a war against terrorism, identified as Islamic. The war provided negative impacts to the study on philanthropy in Muslim communities. The West suspected that certain numbers of Islamic organisations had

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[1] The project was supported by the Ford Foundation. I was the global project director. Among the board members of the project were Prof. Azyumardi Azra (Indonesia), Prof. Abdullahi Ahmed An-Naim (United States), and Prof. Khalid Masud (Pakistan).

financed terrorist organisations.[2] The Muslims for their part, were suspicious that such studies were under counter-terrorism aims.[3] However, the suspicion has faded away once the studies have proven to benefit Muslim communities—for example, by maximising *zakat* collection and management, and by promoting *zakat* and *waqf* worldwide.

From 2000 to 2010, the term "philanthropy" gradually became popular among academics, media, activists of NGO and public in Indonesia through the publication of books, research and seminars. By now, many *zakat* organisations have accepted and used the term and a few—currently transformed to be international humanitarian organisations—have come to regard themselves as Islamic philanthropic organisations.[4]

The gap in the study of Islamic philanthropy, especially in producing a comprehensive history of Indonesia's Islamic philanthropy—one of the reasons I chose my Ph.D topic few years ago—gradually filled. This book is one contribution to that work.

This study examines the historical development of Islamic philanthropy and questions how Islamic philanthropic activities have affected the connection between two concepts: faith and the state. Faith, in this respect, refers to the religiosity of Muslims and the practices of that religiosity, while the state refers to an organized political entity that rules over a certain communities or territories. *Zakat*, *sedekah* and *waqf* are forms which Muslims in Indonesia, as well as in other parts of the world practice. The book shows that these practices have long been trapped in a rivalry between faith and the state; between efforts to involve the state in managing philanthropic activities and efforts to keep them under the control of Muslim civil society which uses Islamic philanthropy to empower itself and to promote social change.

From the time of the Islamic monarchs, through the period of Dutch colonialism and up to the contemporary period, there have been different levels of development and interest in Islamic philanthropy in Indonesia, either from the rulers or from Muslim civil society. Civil society is "where a melange of associations, clubs, gilds, syndicates, federations, unions, parties and groups come together to provide a buffer between state and

---

[2] I will explain this later in the introduction.

[3] Among the impacts to the philanthropy project was the resignation of two Tanzanian members. They remained committed to giving their support for the project but did not involve themselves directly, avoiding the sensitiveness of the issue of terrorism in Tanzania.

[4] Examples are Dompet Dhuafa, Rumah Zakat, and Pos Keadilan Peduli Ummat. More about this will be discussed in Chapter 6 of this book.

citizen."[5] Muslim civil society refers to the above organisations or entities, developed according to Islamic teachings and values, such as through mosques, *waqf* institution, '*ulama* and Islamic organisations. As it is a "reborn" concept, using Gellner's term,[6] there is no harm in using the concept of civil society for pre-modern history as this book does, as long as the term "the state" is used to refer to political rulers.[7] The book demonstrates a contested balance between Muslim civil society and the state. When the state was weak, philanthropy developed powerfully and was used to challenge it. When the state was strong and powerful, Muslim civil society tended to weaken but still found ways to use philanthropic practices in the public sphere to promote social change. This phenomenon is still very relevant in modern-day Indonesia.

While state imposition of philanthropic practices, in particular *zakat*, has been contested, philanthropy retains a firm basis among the people. Activities and efforts to modernise Islamic philanthropic practices have mostly been supported by Modernist Muslims in their aim to Islamise society and by Islamists who aim to Islamise the state. The book argues that although political circumstances influence the development of Islamic philanthropy, the state's capacity to control it is sharply limited because Muslim philanthropic practice is generated by the altruistic and reciprocal nature of people. For the most part, Islamic philanthropy remains in the hands of Muslim civil society, irrespective of the political nature of the state.

This book is a complement to studies on the role of Muslim civil society in Indonesia.[8] Looking into the change and continuity of philanthropic practices, this study explores the ways in which *zakat, sedekah,* and *waqf* have been used by Muslim civil society to empower itself. Muslim communities have established mosques, *madrasah, pesantren*, and other social, political, and economic voluntary organisations by giving and volunteering. In turn, these organisations have formed distinctive institutions which are either critical of the state, collaborate with it or are opposed to it.

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[5] Augustus Richard Norton, ed., *Civil Society in the Middle East,* Vol I (Leiden: E.J. Brill, 2005), new edition, 7.

[6] Ernest Gellner, *Conditions of Liberty Civil Society and Its Rivals,*(England: Penguin Book, 1996), 1.

[7] See discussion on civil society in the Introduction, p 14-15.

[8] Two of them are Robert W. Hefner, *Civil Islam. Muslims and Democratization in Indonesia* (Princeton: Princeton University Press, 2000). Mitsuo Nakamura, Sharon Siddique and Omar Farouk Bajunid, eds., *Islam and Civil Society in Southeast Asia* (Singapore: ISEAS, 2001).

Islamic philanthropy mechanisms have been used by governments for their political purposes, and also by civil society to bring about religious and social change.

This study offers groundwork for the study of voluntary associations as part of Islamic reform movements[9] in dealing with how the voluntary associations were supported. It complements the existing studies of religious philanthropy, showing that faith is one of the most effective motives to all charitable causes.[10] The book also provides a case study from Indonesian Islam to support the prevailing argument that philanthropy is a universal phenomenon found in most cultures.[11] Above all, this book aims to show why Islamic philanthropy deserves our serious attention.

There are four specific questions that will be answered throughout the book.

1. How did Islamic philanthropy develop alongside the Islamisation of Indonesia?
2. Who, and what, motivated the transformation of the practices?
3. How are community resources mobilised and organised for religious and social causes?
4. And through what networks are they channelled and used?

This study will focus on two perspectives that have not yet entered common parlance in Islamic studies in Indonesia. The first is the socio-political aspect of philanthropy, which includes the close relationship between philanthropy and civil society.[12] The second is the religious significance of philanthropy.[13] This part gained more recognition when studies of philanthropy were expanded to cover different historical periods and different traditions and civilisations.

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[9] Michael Feener mentions three significant institutions that fostered Islamic reform movements: voluntary associations, education, and media. See *Muslim Legal Thought in Modern Indonesia* (Cambridge: Cambridge University Press, 2007), pp. 1-23.

[10] Robert Wuthnow, Virginia A. Hodgkinson and Associates, *Faith and Philanthropy in America: Exploring the Role of Religion in America's Voluntary Sector* (San Francisco: Jossey-Bass, 1990). This is one of the most important studies on faith and philanthropy, represents the picture of giving in the United States. Unfortunately it does not include a case study on Islam.

[11] W.F. Ilchman, S.N. Katz, and E.L Queen, eds., *Philanthropy in the World's Traditions* (Bloomington: Indiana University Press, 1998).

[12] R. Bremner's and Kathleen D. McCarthy's works symbolise this perspective. See R. Bremner, *American Philanthropy* (Chicago: The University of Chicago Press, 1988), and McCarthy, *American Creed*.

[13] Ilchman's and Wuthnow's works represent this perspective. Wuthnow and Hodgkinson, *Faith and Philanthropy*.

This book provides data to the year 2012, especially in Chapter 6 on the post-New Order philanthropy movement. The interplay, the contestation between the state and civil society, continues to the present. In fact, the contestation between "state and faith" was clearly visible in the heated debate on the efforts for the amendment of Zakat Management Law. The draft of the amendment had been discussed in the Parliament from 2009 to 2011. Finally, in October 2011 the Parliament passed the new Zakat Management Law no 23/2011, replacing the 1999 Law. The contestation does not stop, however, because the law, which was designed by the Ministry of Religion, reduces the role and position of community based Islamic philanthropy organisations. Activists of these organisations are proposing a judicial review to amend or to cancel the law through the Constitutional Court (Mahkamah Konstitusi). This drama proves that a contest between state and civil society in managing Islamic philanthropic resources—the argument of this book—remains strong.

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This book was developed from my Ph.D thesis that I submitted to the University of Melbourne in 2008. The work would not have been published without the help of Prof. M.C. Ricklefs who encouraged and reminded me to publish my thesis and then assisted me in revising the draft. He also provided a research grant so that I could prepare the thesis for publication. The grant was a part of Ministry of Education's Academic Research Fund Tier 2 Grant no T208A4107 which supported a research project on "Islam and social dynamics in Indonesia: comparative analysis of law, culture, politics and religion since c.1998."

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My study would not have been possible without support from my home institution, Syarif Hidayatullah State Islamic University (UIN) Jakarta. Special thanks to Prof. Azra, previous Rector of UIN Jakarta, and Drs. Murni Djamal, MA, previous Director of the Center for Language and Culture (now the Center for the Study of Religion and Culture – CSRC), for their encouragement and for allowing me to take four years' leave to pursue my Ph.D. study.

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I would like to extend my gratitude to my parents, Prof. Dr. H. Ridlo Masduki and the late Hj. Thoyyibah, parents in law, Hj. Sokhimah and the late Kyai H. Mahbub, and all family members for their support and prayers. Unfortunately my mother, who always supported me in her own ways, passed away before she saw this book published (may Allah bless her). Last but not least, I am greatly indebted to my husband, Amir Maruf, and my two wonderful boys, Elkana Alifi Maruf and Farhan Erucakra Maruf for their endless support, understanding and love. I am particularly indebted to Amir's vision and comments on my work, to Elkana's encouragement to finish my work and not lose hope, and Farhan's cheerful and thoughtful support.

Wa bihi nasta'in ala umur al-dunya wa al-din.

Parung, May 2012 Amelia Fauzia

GLOSSARY AND ABBREVIATIONS

'Amal salihat	Ar. good deed
'Id al-Fitr	Ar. celebration at the end of Ramadan (fasting month)
'Ubudiyya	Ar. religious rituals
'Ulama	Ar. jurists, religious scholars and leaders
'Ushr	Ar. one-tenth
Ahl al-hadith	Ar. traditionalist, "people of *hadith*"
Ahl al-ra'y	Ar. rationalist, "people of private judgment"
Amal usaha	Charitable institutions and enterprises (of Muhammadiyah)
Amil	Ar. '*amil*, *zakat* collector/manager
Amilin	Ar. pl. of *amil*
Amwal	Ar. wealth
Amwal al-batinah	Ar. "non-visible" properties
Amwal al-zahirah	Ar. "visible" properties
Anggaran Dasar	Chapter
Anggaran Rumah Tangga	Bylaw
APBD	Anggaran Pendapatan Belanja Daerah (Regional Annual Budget)
Ar.	Arabic
Badal	Ar. substitute; assistant teacher
Baitul Mal	Ar. *bayt al-mal*, state treasury; Islamic philanthropic institution
Bapelurzam	Badan Pelaksana Urusan Zakat Muhammadiyah
Berkah	Ar. *baraka*, blessing
BAZ	Badan Amil Zakat (body of zakat collectors); state-based *zakat* agency
BAZIS	Badan Amil Zakat Infak dan Sedekah (collecting body of zakat, infak and sedekah)
Baznas	Badan Amil Zakat Nasional (National Zakat Body)
Bilal	Those who call for prayers
Birr	Ar. righteousness
BMPKT	Baitul Mal Pupuk Kaltim (Islamic philanthropic body of Pupuk Kaltim)
BMT	Baitul Mal wa Tamwil; economic and charitable institution; Islamic microfinance institution.

BO	Boedi Oetomo/Budi Utomo
BPZIS	Badan Pelaksana Zakat Infak dan Sedekah (Body for the Implementation of Zakat, Infak and Sedekah).
BRR	Badan Rekontruksi dan Rehabilitasi Aceh dan Nias (Agency of the Rehabilitation and Reconstruction for the Region and community of Aceh and Nias)
BSM Ummat	Bangun Sejahtera Mitra Ummat (Body for Progressing Welfare of Ummat)
BSMI	Bulan Sabit Merah Indonesia (Indonesia Red Crescent Society)
BKI	Bijdragen tot de Taal-, Land-en Volkenkunde
CSR	Corporate Social Responsibility
CSRC	Centre for the Study of Religion and Culture (Pusat Kajian Agama dan Budaya)
D.I.	Darul Islam (The Abode of Islam)
Da'wa	Ar. call to Islam; Islamic propagation
Dana	Giving, ritual giving to holy persons
DD – DDR	Dompet Dhuafa – Dompet Dhuafa Republika
Derma	Donation
Dharma	Giving, obligation
DKI	Daerah Khusus Ibukota (Special Territory of Jakarta)
DPR	Dewan Perwakilan Rakyat (The Parliament)
DPRD	Dewan Perwakilan Rakyat Daerah (Regional legislative assembly)
DPU	Dompet Peduli Ummat (Purse for the Caring of Society)
f.	Dutch florin/guilder
Faqir – fuqara	Ar. destitute
Fatwa	Ar. scholarly opinion on a matter of Islam
Fay'	Ar. retun or tax from non-believers
Fi sabilillah	Ar. "on the path of God"
Fiqh	Ar. Islamic jurisprudence; knowledge
Fiqh Zakat	Ar. Islamic jurisprudence on the subject of *zakat*
Fitrah	Ar. *fitr*, see *zakat al-fitr*
FOZ	Forum Zakat (The Zakat Forum)
Ghanima	Ar. war booty
Gharim	Ar. those in debt
Golkar	Golongan Karya (Functional Group Party)
Gotong royong	Mutual self-help or communal service

Hadith	Ar. Prophetic tradition
Hadiyah	Ar. Present
Haul	Ar. hawl, one year; annual celebration of someone's death; a period of reckoning for the calculation of zakat.
Hibah	Ar. grant, present
Hijra	Ar. Emigration. emigration of the Prophet from Mecca to Madina; an active movement from a place of difficulty to one where the umma could consolidate.
Hisab	Ar. Calculation
I.G	Indische Gids
I.P.O	Overzicht van de Inlandsche Pers (Overview of the Native Press)
I'anah sanawiyyah	Ar. annual contribution
I'anah shahriyah	Ar. monthly contribution
IAIN	Institute Agama Islam Negeri (State Institute for Islamic studies)
Ibn Sabil	Ar. traveller
ICMI	Ikatan Cendekiawan Muslim Indonesia (Indonesian Association of Muslim Intellectuals)
Ihsan	Ar. Virtuous
Ijaza	Ar. Certification
Ijtihad	Ar. personal judgment; a process of making legal decisions by independent interpretation
Ikhlas	Ar. Sincerity, "for the sake of God"
IMZ	Indonesia Magnificence of Zakat (Previously Institut Managemen Zakat—Zakat Management Institute)
Infak	Ar. *infaq*; donation
INIS	Indonesian-Netherlands Cooperation in Islamic Studies
IPHI	Ikatan Persaudaraan Haji Indonesia (Association of Indonesian Hajj Brotherhood)
Jihad	Ar. Struggle
Jihad fi sabilillah	Ar. struggle for the sake of God; war
Jimat	Amulet
Jizya	Ar. poll-tax
JMBRAS	Journal of Malaysian Branch of the Royal Asiatic Society
Kabupaten	District or regency

Kafir	Ar. one who denies truth
Kati	Volume consisting of about 625 gr
Katib	Ar. Secretary; writer; also Jav. *Khatib*
Kayim	Local religious functionary; leader of communal prayers; village cleric
Kecamatan	Sub-district
Kedermawanan	Philanthropy, generosity
Kharaj	Ar. tax, taxation
Khatib	Ar. person who delivers a speech
Khayr	Ar. Goodness
Khums	Ar. one fifth
KISA	Komite Indonesia untuk Solidaritas Afghanistan (Indonesian committee for solidarity for Afghan)
KISRA	Komite Indonesia untuk solidaritas Rakyat Irak (Indonesian committee for solidarity for Iraqi People).
Kiswa	Ar. cloth, cloth covering the Ka'bah
Kitab	Ar. Book
Kitab kuning	"Yellow book"; (referring to classical religious book)
KITLV	Koninklijk Instituut voor Taal-, Land- en Volkenkunde (The Royal Netherlands Institute of Southeast Asian and Caribbean Studies)
KNRP	Komite Nasional untuk Rakyat Palestina (National Committee for the Palestinian People)
KUA	Kantor Urusan Agama (Religious Offices)
Kyai	Expert on Islam; Muslim leader in Java
Langgar	Prayer house
LAGZIS	Lembaga Zakat Infaq dan Shodaqoh (Body of Zakat Infak and Sedekah)
LAZ	Lembaga Amil Zakat (non-state *zakat* agency)
LAZIS	Lembaga Amil Zakat Infak dan Sedekah (Body for Collection of Zakat, Infak and Sedekah).
Lebai – lebe	Local religious functionaries
LMI	Lembaga Managemen Infak (Body for Managing Donation).
LWZ	Lembaga Wakaf Zakat (Body for Waqf and Zakat Salman)
Madhhab	Ar. school of Islamic law
Madrasah	Ar. school; referring to Islamic school
MAN	Madrasah Aliyah (Islamic High School)

Managemen air mata	"teardrop management"
Masakin	Ar. pl of *miskin*
Masyumi	Majlis Syura Muslimin Indonesia (The Consultative Council of Indonesian Muslim).
Maulid	Ar. celebration of the birth (of the Prophet)
Merbot	Mosque functionary
Meunasah	Prayer/study house, hall
MIAI	Majlis Islam A'la Indonesia – MIAI (Indonesian High Islamic Council)
Miskin	Ar. the poor
Modin	Local religious functionaries, mosque functionaries
MORA	Ministry of Religious Affairs – Kementrian Agama
Moskeekas	Dutch. Mosque fund
MTS	Madrasah Tsanawiyah (Islamic Junior Secondary School)
Mu'amala	Ar. social, non-ritual matters
Muadzin	Ar. those who call to prayer (See also, Bilal)
Muallaf	Ar. new convert
MUI	Majelis Ulama Indonesia (Indonesia *'Ulama* Council)
Muktamar	General Meeting
Murshid	Ar. tarekat teacher
Mustahiq	Ar. those who are entitled to receive *zakat* money
Muzakki	Ar. those who pay *zakat*
Nazir	Ar. manager or supervisor of a *waqf*
NGO	Non-government Organisation
NIRK	Netherlands Indies Red Cross Society
NRK	Nederlandsche Rode Kruis – Netherlands Red Cross
NU	Nahdlatul Ulama
Nyai	Female Muslim leader/expert on Islam; wife of a *kyai*.
p.b.u.h	Peace be upon him [Prophet Muhammad]
Pandan	Pandanus leaves
Pate, patih	Local ruler
Pegawai negeri	Government employees
Pengajian	Religious gathering; Islamic study group
Penghulu	Religious official
Penghulu naib	Religious official at district level
Penghulu landraad	Religious official for the regency
Perda	Peraturan Daerah (regional regulation)

Perdikan	Free; estates that are exempted from certain taxes/ obligation
Pesantren	Islamic boarding school; accommodation for *santri*.
PETA	Pembela Tanah Air – Volunteers Corps for the Defence
PGRI	Persatuan Guru Republik Indonesia (Indonesian Teachers Association)
PKI	Partai Komunis Indonesia (Indonesian Communist Party).
PKPU	Pos Keadilan Peduli Ummat (Justice [Party] centre for the care of the [Islamic] community)
PKS	Partai Keadilan Sejahtera (Prosperous Justice Party)
PKU	Penolong Kesengsaraan Umum (Assistance for the Relief of Public Suffering) or Pembina Kesejahteraan Ummat (Ummat Welfare Supervisor)
PMI	Palang Merah Indonesia – Indonesian Red Cross Society
Pondok	Accommodation; accommodation for *santris*; *pesantren*.
PUI	Persyarikatan Ulama Indonesia – Association of Indonesia *'Ulama*
Qadi	Ar. Judge
Qanun	Ar. laws
Qurban	Ar. animal sacrifices
Reformasi	Reform
Riba	Ar. usury
Riqab	Ar. "slaves"
Fi al-riqab	Ar. those in bondage
Riya	Ar. boastfulness
Riyal	Saudi Arabian currency
Rp.	Rupiah (Indonesian currency).
Rujuk	Ar. *ruju'*, re-marry
RT	Rukun Tetangga (neighbourhood association)
RW	Rukun Warga (neighbourhood association)
RZ	Rumah Zakat (the House of Zakat)
RZI	Rumah Zakat Indonesia (Zakat House of Indonesia)
S.I.	Sarekat Islam
Salat	Ar. prayers

Santri	Students at *pesantren*; devout Muslims
Santri mukim	*Santri* who live/stay inside *pesantren*.
Santri tarekat	*Santri* who learn *tarekat* and do not live inside *pesantren*
Sawah	Irrigated lands usually for paddy
Sedekah	Ar. *Sadaqa*; donations, giving
Shari'a	Ar. Principles, Islamic law.
SMA	Sekolah Menengah tingkat Atas (High School)
SMK	Sekolah Menegah Kejuruan (Vocational Secondary School)
SMP	Sekolah Menengah tingkat Pertama (Junior Secondary School)
Srakah	Money given as fees for conducting a marriage ceremony
STI	Sekolah Tinggi Islam (Islamic High Academy)
Sufi	Ar. Islamic mysticism; person who adheres to Sufism
Sumbangan	Donation
Swadaya	Self-support and mutual assistance
Tabligh	Ar. Preaching
Tail or *tahil*	Measurement of 38.601 gram
Talak	Ar. *talaq*, divorce
Talfiq	Ar. adopting the opinions of other schools of law
Tanah wakaf	*Waqf* land/estate
Tarekat	Ar. *tariqa*; Sufi order
TBC	Tahayul, Bid'ah dan Churafat (superstition, non-authentic religious inventions, and religious delusion)
TBB	Tijdschrift voor het Binnenlandsch Bestuur
TBG	Tijdschrift voor Nederlandsch-Indie, uigegeven door het Bataviaasch Genootschap voor Kunsten en Wetenschappen.
Teungku or *teuku*	Local religious functionary in Aceh.
TNI	Tijdschrift voor Nederlandsch-Indie
UID	Universitas Islam Djakarta (Islamic University of Djakarta)
UIN	Universitas Islam Negeri (State Islamic University)
Ukhuwah Islamiyah	Ar. Islamic brotherhood
Uleebalang	Chieftains
UNISULA	Universitas Islam Sultan Agung (Islamic University of Sultan Agung)

UUPZ	Undang-undang Pengelolaan Zakat – The Zakat Management Law
Wakala	Wanita Kepala Keluarga (women as heads of family)
Wakaf kuburan	Cemetery given as *waqf*
Waqf masjid	A mosque building that is given as *waqf*
Waqf lajim	*Waqf* giving which benefit family members; *waqf ahly*
Wali	Ar. Substitute; saint
Waqf	Ar. religious foundation/trust
Wakaf produktif	"Productive" *waqf*
Waqif	Ar. *waqf* endower
Wesel	Money order
Yayasan	Foundation
YBM BRI	Yayasan Baitul Mal Bank Rakyat Indonesia (Baitul Mal foundation of Bank of Indonesian People)
YDSA	Yayasan Dana Sosial al-Falah (Al-Falah Social Funds)
Zakat	Ar. alm, almsgiving
Zakat anak	*"Zakat* due on children"; tradition of servitude by providing children to work for religious functionaries.
Zakat arto	*Zakat* due on money
Zakat bondo	*Zakat* due on wealth
Zakat kewan	*Zakat* due on animals
Zakat mal	Ar. *zakat al-mal*, alms due on income and property
Zakat emas	*Zakat* due on gold
Zakat fitrah	Ar. *zakat al-fitr*, poll-tax
Zakat padi	*Zakat* on (rice) crops
Zawiya	Ar. living quarters annexed to mosques
Ziarah	Ar. *ziyarah*; pilgrimage; visiting religious sites
ZIS	*Zakat, Infak* dan *Sedekah*

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INTRODUCTION

Philanthropy and the State-Civil Society Relationship

Philanthropic practices—ranging from voluntarism, communal self-help and the provision of donations, and services to organise voluntary associations and philanthropic foundations—are indicators of the functioning of civil society. Activities of philanthropy in most cases are carried out by civil society: a mixture of associations and groups, independent from the state, and that becomes a buffer between the state and the citizen (see preface). Philanthropy, or the voluntary private giving and service for the public good,[1] is a universal phenomenon which is found in various historical periods and in different traditions and civilisations.[2] It is closely related to the development of civil society, because it consists of voluntary efforts that demonstrate concern for the welfare of others and the betterment of the community. Mainstream studies of philanthropy in America and elsewhere tend to support the idea that philanthropy, including religious philanthropy, provides a firm basis for civility.[3]

Muslims in Indonesia, just as in other parts of the world, have long practiced various forms of philanthropy, such as *zakat*, and the closely associated *fitrah* (giving at the end of Ramadan), *sedekah* and *waqf.* According to several surveys,[4] almost all Indonesians (i.e. 98 per cent, which, by world standards, is the highest rate of any population) donate their wealth

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[1] W.F. Ilchman, S.N. Katz, and E.L Queen, eds., *Philanthropy in the World's Traditions* (Bloomington: Indiana University Press, 1998), ix; and R.L. Payton, *Philanthropy: Voluntary Action for the Public Good* (New York: American Council on Education/McMillan, 1988).

[2] Ilchman et al. is a well written book which demonstrates the universality of philanthropy.

[3] See for examples Kathleen D. McCarthy, *American Creed Philanthropy and the Rise of Civil Society 1700-1865* (Chicago: The University of Chicago Press, 2003); Robert Wuthnow, Virginia A. Hodgkinson and Associates, *Faith and Philanthropy in America: Exploring the Role of Religion in America's Voluntary Sector* (San Francisco: Jossey-Bass, 1990); Lawrence J. Friedman and Mark D. MacGarvie, eds., *Charity, Philanthropy, and Civility in American History* (Cambridge University Press, 2003); and Kathleen D. McCarthy, ed., *Women, Philanthropy, and Civil Society* (Bloomington: Indiana University Press, 2001).

[4] The first survey was coordinated by the Asia Pacific Philanthropy Consortium (APPC). In Indonesia it was conducted by PIRAC (Public Interest Research and Advocacy) in 2001. The second survey was conducted by the Center for Language and Culture (later changed to be Center for the Study of Religion and Culture) in Syarif Hidayatullah State Islamic University Jakarta in 2003/4.

through these forms to charitable causes, and religion is the main motivating factor.[5]

Throughout the history of Islam in the Indonesian archipelago—the place that has the largest number of Muslims in the world—there have been voices both of resistance against, and demands for, state involvement in philanthropic activities in support of the Muslim faith. Four examples follow.

On 10 October 2005 about 4,000 teachers from East Lombok district (in Eastern Indonesia) rallied at the regent's office protesting against the regulation of regional *zakat* collection which was deducted from their salaries. The Indonesian Teachers' Association (PGRI) of East Lombok, which organised the protests, stated that the 2.5 per cent salary deduction in the name of *zakat* was illegal, its management was abused and it was not in accordance with a correct understanding of *shari'a* (Chapter 6).

More than a century prior to this, several *fatwas* issued in Mecca had recorded resistance by Indonesian Muslims to the collection of *zakat* and *fitrah* carried out by local Indonesian rulers for the establishment of mosques. The *fatwa* seekers also questioned the rulers' right according to Islamic law to collect *zakat* and *fitrah*, the right of the people to get their money back, and whether the mosques which were established by "forced" donations could legally be allowed to be used for communal prayers (Chapter 3).

In a move somewhat contrary to this, on 10 January 1968 eleven *'ulama'* (Muslim scholars) proposed to President Soeharto, and encouraged him, that he establish *zakat* agencies and become involved in *zakat* collection. They demanded the institutionalisation of *zakat* by the head of the state, referring both to the effectiveness in collection and to an example given by the Prophet (Chapter 5).

Almost the same demand was voiced on 3 November 2007 by Islamic philanthropic organisations which proposed the creation of a Ministry of Zakat and the enforcement of *zakat* by the state. They referred to the compelling moral notion for the implementation of *zakat* and other Islamic

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[5] According to APPC findings, the rate of giving in Thailand is 91 per cent, 78 per cent in the Philippines, and 73 per cent in India. See APPC, *Investing in Ourselves Giving and Fundraising in Asia*, (Philippine: APPC, 2002) p. 63. It is published online, ADB, <http://www.adb.org/documents/books/Investing_In_Ourselves/REG/Asia.pdf> (accessed 21 March 2011). PIRAC, *Investing in Ourselves: Giving and Fund Raising in Indonesia* (Jakarta: PIRAC-ADB, 2002). *Times* July 20, 2002 stated that in America the figure is 73 per cent, in Germany 44 per cent and in France 43 per cent.

charities, and referred to the Qur'an and the Prophetic tradition (*hadith*) and the early history of Islam (Chapter 6).

These four voices are just examples of two different expressions from faith-based civil societies in response to the involvement and enforcement, by the pre-modern ruler or by the modern nation-state, of faith-based philanthropic practices, especially *zakat*. The first expression —as in Lombok and *fatwas*—that refused the state's interference in charity mainly considered faith as a personal matter and charity as personal commitment. In this case practices of giving are mostly cultural and reciprocal and this type of expression is mostly voiced by Traditionalist Muslims, namely "those who accept the four Sunni Schools of Law as valid guides to knowing Islam. Traditionalism usually recognises that these legal traditions are subject to change and redefinition. It commonly involves tolerance towards locally derived cultural expressions, acceptance of mysticism, and a gradualist approach towards greater Islamisation."[6] In Indonesia traditionalist Muslims are mainly represented by Nahdlatul Ulama.[7]

The second expression—as observed in 1968 and 2007—believes the application of faith should be endorsed by the state. Epistemologically, this has been voiced mostly by Modernist and Revivalist Muslims. A Modernist is one who adheres to Modernism, namely "an approach to knowing Islam which denies that the four Sunni Schools of Law are authoritative guides and which relies fundamentally upon human reason in understanding Revelation."[8] A Revivalist is one who adhere to Revivalism, namely "an

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[6] This book makes use of definitions of analytical terms developed by M.C. Ricklefs, R. Michael Feener and Chaider Bamualim in a research project based at the National University of Singapore. Reference to the quoted term is to M.C.Ricklefs, *Islamisation and its opponents in Java: A political, social, cultural and religious history, c. 1930 to the present*. (Singapore: National University of Singapore Press; Honolulu: University of Hawai'i Press, 2012).

[7] Nahdlatul Ulama (abbreviated as NU) claims to have 45 million followers, but its actual members are far fewer than this number. It was established in 1926 amid concerns about the abolition of the caliphate, the inclination of the Saud kingdom towards Wahabi teachings, the elimination of freedom for different Islamic schools of law in Saudi Arabia, and also as a reaction against Reformist movements in Indonesia. This organisation defends the traditional thinking of Islam, and this brings it into conflict with the ideas of Muhammadiyah, the leading Reformist voluntary organisation. This organisation adopts the "*ahlu sunnah wa al-jamaah*" (followers of the Sunnah and the Community of the Prophet). NU (and followers of this organisation) is regarded as Traditionalist, in contrast to Muhammadiyah, which is regarded as Modernist. About NU see Martin van Bruinessen, *NU: Tradisi, Relasi-relasi Kuasa, Pencarian Wacana Baru* (Yogyakarta: LKiS, 1994); Greg Barton and Greg Fealy eds., *Nahdlaltul Ulama, Traditional Islam and Modernity in Indonesia* (Clayton: Monash Asia Institute, 1996). See also its website http://www.nu.or.id/

[8] "This commonly involves a disregard for socio-historical contexts but openness to modern learning as a way of enhancing the power of reason. It is principally opposed to

approach to knowing Islam which denies that the four Sunni Schools of Law are authoritative guides and which aspires to revive a pristine universal Islam as in the time of the Prophet and his Companions."[9] Both Revivalists and Modernists tend to seek the faith of Islam directly in the Qur'an and Prophetic traditions. The Modernist and Revivalist tendencies exist mostly among educated and urban Muslims and are closely related to puritanism—namely, an approach to religion that seeks a pure and pristine Islam. As a social movement, this second expression is a reform movement that is inclined towards Islamism, namely "a project whose principal locus of activity is the state. It seeks a more perfect political order by establishing state institutions and/or controlling existing ones so as to impose deeper Islamisation, achieve greater justice, and safeguard the integrity of the Muslim community."[10]

In this respect, according to the above thoughts, *zakat,* which is obligatory under Islamic law should be enforced by the state. This tendency was obviously observed in the *Reformasi* period when the state was weak and civil society was strong.

Another social expression of Islamic faith that is not reflected in the above examples is the moderate position of Modernist Muslims, which socio-politically tend to be Dakwahists. "Dakwahism is a project whose principal locus of activity is at the level of the society. It seeks a more perfect social order by actively propagating what it regards as a correct understanding of the faith, its moral standards and its ritual obligations."[11] It is

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what it sees as the medieval obscurantism of Traditionalism, may reject local cultural expressions and is at least suspicious of mysticism." Ricklefs, *Islamisation and its opponents in Java.*

[9] "Its epistemology rests on cognition of Revelation as found in the Qur'an and Hadith through Divine guidance. Revivalism normally distrusts the application of human reason and denies that understandings of Revelation may legitimately change over time or that Islam may evolve in changing socio-historical contexts. It commonly rejects local cultural expressions and regards mysticism as a source of heresy." Ibid.

[10] "Islamism is most commonly associated with Modernist and Revivalist thought and sometimes (but not necessarily) validates the use of force to achieve its objectives. It usually seeks social conformity and, where it is tolerant of other faiths, normally expects them to accept a position subordinate to Islamic dominance." Ibid.

[11] "Dakwahism is found mainly among Traditionalists, Modernists and Revivalists. Traditionalist Dakwahism is normally consistent with tolerance towards locally derived cultural expressions, acceptance of mysticism, and a gradualist approach towards greater Islamisation, and is usually said to rest upon the example of the *Wali sanga.* Modernist and Revivalist styles are normally characterised by rejection of local practices and superstitions and insistence on the superiority of Islam over other religions. All styles may prioritise associated values such as the solidarity of the Islamic *ummah* and strict female modesty." Ibid.

represented by the Muhammadiyah organisation,[12] whose voluntary and philanthropic activism holds to the concept that philanthropy is an individual and non-state matter, but getting cooperation with and support from the state in managing them is important. Active since 1912, Muhammadiyah's non-profit and charitable institutions have been the largest in Indonesia and most probably in the Islamic world. In 2005 it owned 7,488 institutions (including hospitals, universities, schools, financial institutions, orphanages, and aged care facilities)[13] in addition to its huge assets of mosques and *waqf*, along with many other sub-organisations (from self-defence clubs to religious gatherings) scattered all over the country. In 2010 the total number of those institutions was 11,666, excluding 11,959 mosques and *musalla*, and hundreds of thousands of *waqf*.

In this respect, the history of Islamic philanthropy in Indonesia shows three kinds of contestation, namely between (1) those who favour or advocate state control over faith, (2) those who are against interference and institutionalisation by the state, and (3) those who want to keep philanthropy in the hands of non-state actors but demand mutual support from the state.

While the state position towards religion has been challenged and questioned by those civil societies, there have indeed been many cases in which rulers or government mobilised charities for their own interests (as in the case of the *fatwas* cited above). Both civil society and the state were aware of the financial, social and political forces behind these *zakat*, *fitrah*, *sedekah* and *waqf*. The New Order ruler, Soeharto, was not exempt from the effort to mobilise them, and one of his speeches in 1968 clearly shows his plan to gain at least 2.5 billion rupiah each year in *zakat* money. He led the national collection of *zakat* but it ended in 1970 without getting a good

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[12] Muhammadiyah is the largest Reformist (or specifically called Modernist) organisation. Established in 1912, it claims to have 35 million followers. Its actual members are far fewer than this number. The term "Modernist" is used to identify this organisation since it was established in response to the Islamic modernisation movement led above all by Jamal al-Din Al-Afghani, Muhammad 'Abduh and Rashid Ridha. The followers of this movement thought that Islam was backward because Muslims did not want to do *ijtihad* anymore. One important act of *ijtihad* by this organisation was the use of modern infrastructure and the use of rational thinking. On Muhammadiyah, see Alfian, *Muhammadiyah: The Political Behaviour of a Muslim Modernist Organization under Dutch Colonialism* (Yogyakarta: Gajah Mada University Press, 1989), Mitsuo Nakamura, *The Crescent Arises over the Banyan Tree: A Study of the Muhammadiyah Movement in a Central Javanese Town* (Yogyakarta: Gajah Mada University Press, 1983). See Muhammadiyah's website http://www.muhammadiyah.or.id

[13] See Chapter 6 for details. Many of Muhammadiyah's hospitals, universities and schools have a competitive quality at district, provincial and national levels.

response from the majority of Muslims (Chapter 5). The interests of the state are usually in line with those of reformists who are seeking to modernise Islamic philanthropy away from the practices maintained by Traditionalist leaderships and with those of Islamists who are seeking to establish an Islamic state and impose deeper Islamisation. Unsurprisingly, state institutionalisation of Islamic philanthropy—especially *zakat*—is encouraged by Islamists, state bureaucrats, and opportunist groups such as political parties. This can be seen palpably during the *Reformasi* period when the state was weak.

The history of Islamic philanthropy in Indonesia shows that the interrelation between Muslim civil society and the state is not monolithic, but is dynamic. It demonstrates a balanced contestation between private faith and the public realm, between civil society and the state—one that existed throughout Indonesian Islamic history, including the period of Islamic kingdoms, the Dutch colonial administration, and the era of the modern Indonesian state. The interrelations are both vertical (between so-called Muslim civil society and the state) and horizontal (among Muslim civil society groups). They show a blurred demarcation on concepts of state-civil society, a non-uniformity in the approaches of Muslim civil society philanthropic activism towards the state, and a subtle dynamic relationship between faith and the state.

The book offers a discussion on state-civil society relations in three different types of ruler or state in relation to Islamic philanthropy. These three are:

1. Muslim monarchs or Islamic kingdoms that existed in the pre-modern period.
2. Non-Muslim governments that ruled during the colonial period.
3. A modern secular state that was governed by a majority Muslim community in the post-colonial period.

Muslim monarchs varied in the positions they took toward the implementation of Islamic law and also Islamic charity especially *zakat*, despite the rulers themselves being Muslims. The kingdoms were heavily dependent on the nature of the ruler, ranging from a regime with authoritarian rulers who suppressed 'civil society,' to tolerant, open minded rulers who listened to their subjects. In this period, the book argues that Islamic charity was left mainly in the hands of local religious leaders, creating local civil societies such as *waqf* institutions, and to *tarekat*, and '*ulama*, which developed independently, and which later in the colonial period were strong enough

to mobilise movements and local protests. (See discussion at the start of Part One).

In the time of the Dutch colonial government, the state-civil society relation was interesting. This study argues that under non-Muslim rule, civil society grew very strong, despite the fact that the Dutch government was regarded as severe toward any movement that may overthrow her power. While the fact that the Dutch did not want to interfere in anything related to Islamic philanthropy must be seen as a blessing, Muslim civil society grew from this circle. (See discussion in Part Two).

In modern Indonesia, the relationship between the state and faith shows a unique position. If we agree with the three classifications of the social status of religion vis-à-vis the state—first, religion becomes an ideological basis of the state; second, the state is indifferent because religion is regarded as a private individual matter; and third, the state is hostile to religion[14]—then modern Indonesia sits somewhere between the ideological and the indifferent. Although the Indonesian Constitution (*Undang-undang Dasar* 1945) represents a secular state that acknowledges religion without referring to any specific faith as its ideology,[15] Islam is a significant factor since the majority of the population is Muslim. Public creed has undergone changes[16] which are somehow observed in the practices of Islamic philanthropy.

Under this unique form of the state, state-civil society relations changed depending on the political and religious tendencies of the head of the government. Strong government led toward weak civil society and philanthropy; and weak government led toward strong civil society and philanthropy. (See discussion in Part Three).

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[14] Gordana Siljanovska, "Homo Religiosus, Between Faith and the State," *East European Human Rights Review* 10 (2004): p. 120.

[15] Article 29 of the Indonesian Constitution 1945 states "(1) The State shall be based upon the belief in the One and Only God" and "(2) The State guarantees all citizens the freedom of worship, each according to his/her own religion or belief." The first principle in the basic foundation of the Indonesian state, the Pancasila (five principles), is "belief in the one and only God."

[16] Robert W. Hefner, "State, Society, and Secularity in Contemporary Indonesia," in *Religion and Religiosity in the Philippines and Indonesia Essays on State, Society, and Public Creed,* edited by Theodore Friend (Washington: Southeast Asia Studies Program John Hopkins University, 2006), pp. 39-51. For general discussion on Faith and the State see Roger Trigg, *Religion in Public Life: Must Faith Be Privatized?* (New York: Oxford University Press, 2007).

'Muslim' Civil Society

Civil society has become a topic of numerous studies and writings by scholars who offered many ways to define it. Saad Eddin Ibrahim observes that all definitions revolve "around maximising volitional organised collective participation in the public space between individuals and the state."[17] This book follows the definition of civil society by Augustus Richard Norton—mentioned already in the preface—namely that this is "where a melange of associations, clubs, gilds, syndicates, federations, unions, parties and groups come together to provide a buffer between state and citizen."[18] Inherent in civil society is a notion of civility; the same notion that is embedded in philanthropy.

Muslim civil society simply refers to civil society or civil society organisations that employ Islamic values. To some degree, certain Islamic institutions, such as mosques, *waqfs*, sufi orders (*tarekat*) and '*ulama* may be regarded as civil society. The use of the adjective "Muslim" before the term civil society aims to stress and differentiate the subject from many other civil society organisations in the area. Therefore, at times the use of the adjective is not needed. One scholar who employs the adjective Islam in connection with civil society is Robert W. Hefner in his book entitled *Civil Islam*.[19]

There are two variables in civil society: namely the state and civil society organisations. The term 'state' usually refers to a modern context. However, this does not mean that pre-modern period did not have political institutions, such as a state, that has power to govern its people. So the "state" variable in the concept of civil society refers not only to a modern state, but also to a pre-modern one such as a monarchy or kingdom. For the pre-modern context, this book uses the term "ruler" instead of state.

It is true that associations, political parties, guilds, mentioned in the definition of civil society are modern phenomena; however, a collective group that functions as a buffer between the state and citizen is not necessarily new. *Waqfs* and mosques are pre-modern institutions that still survive and that, to some level, provided a buffer between the two. These, therefore, may be included as civil society organisation.

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[17] Saad Eddin Ibrahim, "Civil Society and Prospects of Democratization in the Arab World," in Augustus Richard Norton, ed., *Civil Society in the Middle East*, (Leiden, E.J. Brill, 2005) new edition, p. 28.

[18] Augustus Richard Norton, ed., *Civil Society in the Middle East,* Vol I (Leiden: E.J. Brill, 2005), new edition, 7.

[19] Robert W. Hefner, *Civil Islam: Muslim and Democratization in Indonesia*, (Princeton: Princeton University Press, 2000).

Muslim civil society organisations in Indonesia cover a wide variety and include socio-religious organisations (e.g Nahdlatul Ulama and Muhammadiyah), *sufi* orders (*tarekat*), Muslim intellectual associations, Islamic political parties, Muslim trades union, Islamic study clubs, Islamic student associations, Muslim women's associations, Muslim businessmen's associations, Islamic finance associations, and Islamic philanthropic organisations. This book focuses on the last type of civil society organisation.

In principle, civil society is independent from the state, and experiences from the New Order period show that civil society has mainly been positioned against the state, and has sought to toppling the government. However its positioning need not necessarily be like this. There are cases where a civil society organisation was previously created by the government[20] and which supported the state,[21] and in a civilised situation, the state should also support and provide a space for the development of civil society.

Looking into Islamic societies, the presence of civil society in the Muslim world is possible, although not prevalent. The Muslim world is not monolithic and is also dynamic, so scepticism as to the presence of civil society in the Muslim world such as from Ernest Gellner[22] comes from a shallow observation of that world. Even in the Middle East, the area where most scholars have previously been sceptical of possible political reform, the period from 2010 has showed signs of political changes with the support of the existing civil society.

Weak State, Strong Philanthropy; Strong State, Weak Philanthropy

Philanthropy is strongly associated with civil society.[23] It specifically shows that philanthropy is an indicator of the state-civil society relationship. Islamic philanthropic activism is on the rise when state power is weak, and it operates in a modest way when the state is powerful. The notions of weak state and powerful state refer here to the social, economic and political situation of a state or government in relation to the efficiency of their

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[20] For example the organisation Sisters in Islam in Malaysia.

[21] See for example Farhad Kazemi, "Civil Society and Iranian Politics," in Civil Society in the Middle East, edited by Augustus Richard Norton, Vol II, (Leiden, E.J. Brill, 1996), pp. 119-152.

[22] Ernest Gellner, Conditions of Liberty Civil Society and its Rivals, (England: Penguin Books, 1994), p. 29.

[23] For examples, McCarthy, *American Creed Philanthropy*; Lawrence J. Friedman and Mark D. MacGarvie eds., *Charity, Philanthropy, and Civility in American History* (Cambridge University Press, 2003); and McCarthy, *Women, Philanthropy, and Civil Society*.

administration. The Dutch colonial administration and the New Order period are regarded as strong states or as being under a strong government. The Old Order (1945-1965) and the *Reformasi* period (1998-) are regarded as weak governments in terms of the political turbulence, internal conflicts and economic crises, though they could not be categorised as failed states.[24] It is generally accepted that an excessively strong state rarely coexists with strong civil society.

People power—a series of non-violent, mass street demonstrations mainly expressing distrust against the government—became a support as well as a curse for the ruling government during the *Reformasi* period and it became weak as people found it easy to organise masses threatening to topple the government. However, with spirit of *reformasi*, activities of Islamic philanthropy developed considerably. The number of Islamic philanthropic organisations increased rapidly, the Zakat Management Law and the Waqf Law were passed, the National Body of Zakat was created, and a regulation on tax deductions for those who paid *zakat* was enacted. This situation was totally different from what was in place during the authoritarian New Order rule. Few community-based Islamic philanthropic organisations were founded at that time other than those which had ties with government officials and/or were formed under state administration offices. However, unregulated *zakat* and *fitrah* committees in mosques and neighbourhoods were discretely developed in addition to the ongoing grass-roots payment of *zakat, fitrah* and *sedekah* to local religious persons/leaders and the poor. Soeharto's attempt at national collection of *zakat* between 1968 and 1970 failed. The preceding Old Order government was weak because of the independence struggles and political instability. Islamic voluntary activism and practices during this period were mainly driven by nationalism and were mobilised to assist the newly independent republic.

Distinct from the above equation is the Dutch colonial period. The Dutch administration was powerful, but its rule allowed for the growth of

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[24] Although Indonesia is not included in the world's category of weak states or failed states, Indonesia's economic and political situation is fragile. The Crisis States Research Centre sets Indonesia's status as "warning" to become a failed state. The categorisation is somehow dynamic and the perception of a "failed state" may be controversial. The writer Noam Chomsky even argues that the United States is becoming a failed state. *Failed States: The Abuse of Power and the Assault on Democracy* (New York: Metropolitan Books, 2006). For a detailed discussion on weak states and strong states see Daron Acemoglu, "Politics and Economics in Weak and Strong States," National Bureau of Economic Research working paper no 11275, (US: NBER, 2005), also available in NBER, <http://www/nber.org/papers/w11275 > (accessed 20 March 2011).

philanthropy and voluntary associations. Although the government acted severely against anti-colonial movements, it allowed space for the development of "civil" faith-based philanthropic practices and activities. The Dutch prevented native officials from interfering with or from obtaining benefits from those philanthropic resources. In this case, the Dutch government followed their secular principle of the separation of religion and the state, as long as they remained in the realm of religion. This policy of non-interference provided space for development of philanthropy, and this had the unintended effect of stimulating the growth of Muslim civil society organisations in the early twentieth century.

State Intervention and Modernist Efforts in Philanthropy

Studies on Islamic philanthropy also reflect a reluctance (if not resistance) among Muslims faced with state efforts to control, organise, or even enforce the collection of philanthropic resources, in particular *zakat*. In Indonesia, even though a 2003/4 survey found that 98.5 per cent of the Muslim population paid *fitrah* and 34.7 per cent paid *zakat*, only 5.6 per cent of respondents paid them to philanthropic organisations which were dominated by state-based *zakat* agencies.[25] James Scott has shown how Muslims evade *zakat* collection by the state in Malaysia.[26] In Pakistan, there is a common mistrust of the state *zakat* collection and administration, because this is regarded as corrupt,[27] and *zakat* evasion occurs frequently.

There are only six modern Muslim countries (Saudi Arabia, Libya, Yemen, Malaysia, Pakistan, and Sudan) that have enforced some form of *zakat* by law,[28] and these make up 10 per cent of the country members of the Organisation of the Islamic Conference. Instead, *zakat* collection and

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[25] Survey of Islamic Philanthropy for Social Justice in Indonesia, the Center for the Study of Religion and Culture, Syarif Hidayatullah State Islamic University Jakarta, 2003/4, hereafter Survey of Islamic Philanthropy. Some findings have been published in Amelia Fauzia et al, *Filantropi Islam dan Keadilan Sosial*: *Studi tentang Potensi, Tradisi, dan Pemanfaatan Filantropi Islam di Indonesia,* [Islamic philanthropy and social justice: a study on potential, tradition and utilisation of Islamic philanthropy resources in Indonesia], edited by Irfan Abubakar and Chaider S. Bamualim, (Jakarta: Center for the Study of Religion and Culture, 2006). Selected findings are presented in Appendix 4.

[26] James C. Scott, *Resistance without Protest: Peasant Opposition to the zakat in Malaysia and to the tithe in France* (Townsville, Qld: Asian Studies Association of Australia, 1986).

[27] Riaz Hassan, *Inside Muslim Minds* (Melbourne: Melbourne University Press, 2008), pp. 240-1.

[28] A. Zysow, *"Zakat"* in *The Encyclopaedia of Islam: New Edition*, vol XI (Leiden: Brill, 2002).

disbursement in most Islamic countries and also non-Islamic countries has been organised by civil society organisations. In present-day Indonesia, a "religiously neutral" country that has about an 87 per cent Muslim population, *zakat* is encouraged but not imposed under the law. Even though the government has created state-based philanthropic agencies, it allows community-based Islamic philanthropic organisations to operate.

As has also happened in some other parts of the world, the effort to modernise Islamic philanthropy in Indonesia was mostly initated by Reformist Muslims.[29] One of the most important Reformist movements is the Muslim Brotherhood, established in Egypt in 1928 by Hasan Al-Banna, which also established strong charitable activities.[30] Since they consider Islam as a whole system of state and society, the modernisation of charity is related to the movement for an Islamic economy (also Islamic banking) that has been promoted by the same groups, following the global Islamic resurgence movement.[31] In Indonesia, activities of Islamic philanthropy after the New Order period show the impact of this resurgence.

This book will show that in modern times, there is an ongoing effort to modernise Islamic philanthropy and to incorporate the obligatory aspect of *zakat* into law, as part of the effort to Islamise society and the state. This becomes a test for those Islamist "civil societies," that take the risk of handing over community-based philanthropic efforts to the control of the state—which is a setback for the civil society movement itself.

While it is generally perceived that the modernisation of philanthropic practices is a recent development starting from the 1990s, this study maintains that Muhammadiyah had already constructed a philanthropic culture and practices by means of a modern organisation from the time of its initial development in the second decade of the twentieth century. Muhammadiyah transformed the traditional practices of charitable giving, so

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[29] Scholars have used various terms, such as Neo-revivalist Muslims. In this book reformism epistemologically includes Modernism and Revivalism.

[30] See for example Janine A. Clark, *Islam, Charity, and Activism: Middle-Class Networks and Social Welfare in Egypt, Jordan, and Yemen* (Bloomington: Indiana University Press, 2004).

[31] On the Islamic resurgence movement see Chandra Muzaffar, "Islamic Resurgence: A Global View," in *Islam and Society in Southeast Asia*, edited by Taufik Abdullah and Sharon Shiddique, pp. 5-39 (Singapore: Institute of Southeast Asian Studies, 1986). Abdullah Saeed has shown that in Indonesia as elsewhere in Islamic communities, the Islamic economy (including banking) is promoted by "neo-revivalist" Muslims. Abdullah Saeed, "Indonesian Islamic Banking in Historical and Legal Context," in *Indonesia: Law and Society*, edited by Timothy Lindsey, 2nd ed. (Sydney: The Federation Press, 2008), pp. 313-5.

that they were not only for religious activities, but also for social and educational activities for the betterment of society.

Even though almost all Islamic social and political organisations use philanthropy as a means to achieve social, economic, and political aspirations and goals, practices of philanthropy are still mainly traditional. The transformation brought by Muhammadiyah in urban communities has proceeded slowly alongside the traditional charitable giving and older mechanisms prevailing in rural societies due to theological and legal understandings and socio-political conditions. Traditional charity is therefore still dominant.

Relation to Welfare

Most studies on philanthropy around the world argue that the development of philanthropy is related to welfare. Janine Clark's study, employing social movement theory, also shows that Islamic voluntary and charitable activism in Egypt, Jordan and Yemen brought benefit mostly to Muslims who were from the middle-class.[32] To some extent this is true in Indonesia, too, where the Muhammadiyah organisation and most other developed philanthropic organisations grew from urban communities as a result of economic prosperity. However, Islamic philanthropy is practised and has become a means for empowerment in rural Muslim communities as well. It seems that there is a sense of "shared poverty" (that is charitable giving among poor communities) and a strong theological influence so that voluntarism and self-help operate best in non-middle class communities. In many cases, an economic crisis or hardship boosts philanthropic activism where poverty becomes a good source of prompting for charity. In 1941-2 for example, the number of new *waqf* endowments in East Java increased significantly, and Dompet Dhuafa, a leading Islamic philanthropic organisation, received about double its charitable donations in 1998 and 1999, compared to its income before the financial crisis. Yet welfare is only one among many other motivations for charity. Among the most prominent ones is faith.

Studies on Philanthropy

Studies on Islamic philanthropy in general endorse the idea that Muslim values and the practice of Islamic philanthropy—like other forms of

[32] Clark, *Islam, Charity, and Activism*.

philanthropy—support social justice[33] and democracy;[34] and *waqf* has played a role as a public sphere institution supporting Sufi groups[35] and women.[36] However, after the events of September 11 2001 in particular, there have been studies suggesting the "uncivil" impact of religious philanthropy, and claiming that Islamic philanthropy has been used for terrorist activities.[37] These studies are usually set in the context of conflict and civil wars or favour the notion that Islam is inimical to democracy. The issue with which they are mainly concerned is not Islam, philanthropy, or Islamic philanthropy, but rather the wars or conflicts in question. Even the giant humanitarian foundations and United Nations agencies are not totally free from the accusation that their humanitarian aid may prolong conflicts.[38] These topics are outside the scope of this book, not only because the "uncivil" use of charity is not part of philanthropy, but also because such usage is quantitatively insignificant compared to the mainstream activities of Islamic philanthropy[39] and philanthropy in general.

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[33] Samiul Hasan, *Philanthropy and Social Justice in Islam: Principles, Prospects and Practices* (Kuala Lumpur: AS Noorden, 2007); Irfan Abubakar and Chaider S. Bamualim, *Filantropi Islam dan Keadilan Sosial*. The second book is the outcome of a global project regarding Philanthropy for Social Justice in Muslim Societies covering research from 2002-4 in six countries: Egypt, India, Indonesia, Turkey, Tanzania and the United Kingdom. The global project was coordinated by the Center for the Study of Religion and Culture at the State Islamic University Jakarta and was funded by the Ford Foundation.

[34] Hassan, *Inside Muslim Minds*. Chapter 8 discusses Philanthropy and Social Justice based on sources from surveys in seven Muslim countries (Egypt, Indonesia, Iran, Khazakhstan, Malaysia, Pakistan, and Turkey). A few examples of data in this book relating to the CSRC research on Islamic philanthropy for social justice in Indonesia are not correct.

[35] R.D. McChesney, *Waqf in Central Asia: Four Hundred Years in the History of a Muslim Shrine, 1480-1889* (Princeton, N.J: Princeton University Press, 1991).

[36] Amy Singer, *Constructing Ottoman Beneficence: An Imperial Soup Kitchen in Jerusalem* (Albany: State University of New York Press, 2002) and Miriam Hoexter, *Endowments, Rulers and Community Waqf al-Haramayn in Ottoman Algiers* (Leiden, Boston: Brill, 1998); the same author also wrote "The Waqf and the Public Sphere," in *The Public Sphere in Muslim Societies*, edited by Miriam Hoexter, Shmuel N. Eisenstad, Nehemia Levtzion (Albany, New York: State University of New York Press, 2002).

[37] Among the studies are J. Millard Burr and Robert O. Collins, *Alms for Jihad Charity and Terrorism in the Islamic World* (Cambridge: Cambridge University Press, 2006) and Evan F. Kohlmann, *Al-Qaida's Jihad in Europe. The Afghan-Bosnian Network* (Oxford: Berg, 2004).

[38] A dilemma of humanitarian aid, see for example David Bryer and Edmund Cairns, "For better For worse? Humanitarian aid in conflict," *Development in Practice* Vol 7, no 4 (November 1997): pp. 363-74.

[39] Burr and Robert state in their book that the percentage of Islamic charities in support of Islamist jihadist activities is only small. *Alms for Jihad*, p. 1.

Studies on Islamic philanthropy in Indonesia can be differentiated into those focusing on the institutions of *zakat* and *waqf*, and those focusing on charity or philanthropy. Studies on *zakat* and *waqf* mostly focus on legal and theological aspects[40] and have only recently begun to focus on practice.[41] Studies of social movements that refer to voluntary associations, such as Muhammadiyah and Nahdlatul Ulama, also provide important data on how these organisations developed from the benefits of voluntarism and giving such as *zakat, sedekah,* and *waqf*.

There are two research centres that contribute studies on Islamic philanthropy in Indonesia: The Center for the Study of Religion and Culture (CSRC) of the State Islamic University Jakarta, under the Islamic Philanthropy for Social Justice project and the Public Interest Research and Advocacy Center (PIRAC) under a general study on philanthropy in Indonesia.[42] PIRAC is a non-profit organisation established in 2003 in Jakarta. Studies on philanthropy in Indonesia have been promoted by research in the Third Sector, especially by the Asia Pacific Philanthropy Consortium.[43] Recent Islamic studies that relate in some way to the study of Islamic philanthropy are the study of religious reform by the Ministry

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[40] A recent study on charity in Indonesia is Hilman Latief, "Islamic Charities and Social Activism Welfare, Dakwah and Politics in Indonesia," (Ph.D Dissertation, University of Utrecht, 2012).

[41] Among the exceptions are Mohammad Daud Ali, *Sistem Ekonomi Islam: Zakat dan Wakaf* (Jakarta; UI Pres, 1988), and Taufik Abdullah, "Zakat Collection and Distribution in Indonesia," in *Islam and the Economic Development of Southeast Asia: The Islamic Voluntary Sector in Southeast Asia*, edited by Mohamed Ariff (Singapore: Institute of Southeast Asian Studies, 1991). A survey on *waqf* studies by Miriam Hoexter does not mention any study on *waqf* in Indonesia or Southeast Asia. "Waqf Studies in the Twentieth Century: The State of the Art," *Journal of the Economic and Social History of the Orient*, Vol 41 no 4 (1998): pp. 474-95. However, there are a few studies on *waqf* in Indonesia: Rahmat Djatnika, "Les Biens De Mainmorte (Wakaf) A Java-Est" (Ph.D. dissertation, École des Hautes Études et Sciences Sociales, 1982), and Uswatun Hasanah, "Peran Wakaf dalam Mewujudkan Kesejahteraan Sosial (Studi Kasus Pengelolaan Wakaf di Jakarta Selatan)" (Ph.D. dissertation, IAIN Syarif Hidayatullah Jakarta, 1997). A recent study on Islamic legal thought that provides significant background for the intellectual history of the practices of *zakat* is Michael Feener, *Muslim Legal Thought in Modern Indonesia* (Cambridge: Cambridge University Press, 2007).

[42] Among the publications from CSRC's project on social justice philanthropy are Idris Thaha, ed., *Berderma untuk Semua, Praktek dan Wacana Filantropi Islam* (Jakarta: Pusat Bahasa dan Budaya & Teraju, 2003); and Abubakar and Bamualim, eds., *Filantropi Islam dan Keadilan Sosial*. PIRAC held surveys on the practice of philanthropy in 2001, 2004 and 2006. It also published its survey's findings which relates to Islamic philanthropy. Kurniawati, ed., *Kedermawanan Kaum Muslimin Potensi dan Realita Zakat Masyarakat di Indonesia hasil Survey di Sepuluh Kota* [Generosity of Muslims: potential and reality of community zakat in Indonesia based on a survey in ten cities], (Jakarta: Piramedia, 2004).

[43] APPC initiated a study on philanthropy and law in Asia. The Indonesian case study is *Filantropi dan Hukum di Asia: Tantangan untuk Indonesia*, edited by Thomas Silk ([Jakarta]: APPC, 1999). APPC website is http://www.asiapacificphilanthropy.org/

of Religious Affairs (MORA)[44] and the study of Indonesian law on *zakat.*[45] Both show conflicting efforts among Muslim civil society in dealing with inclusion of zakat under the control of the state. Both show the state's interest in supervising *zakat*. This book treats practices of *zakat, sedekah,* and *waqf* as philanthropic forms, giving value to the various kinds of efforts of generosity practiced by people.

Philanthropy and Its Grey Area

In this study we define philanthropy[46] as voluntary activities of private giving and service for the public good. This definition follows Mike W. Martin in his *Virtuous Giving*, where he elaborates four elements in philanthropy: namely, voluntariness, privateness (non-state), giving/service, and public good.[47] These four aspects are significant for the differentiation between philanthropy and other non-philanthropic practices. For example, theoretically, the establishment of schools and hospitals by the government is not charity because it is a state obligation, and tax is not charity because it is regarded as a citizen's responsibility. While using these four elements, I follow Ilchman's[48] and McCarthy's[49] approach which incorporates a broad range of activities which are voluntarily offered by members of the community for the public good.

Yet, at least two "grey" areas remain. The first is how to employ the term "philanthropy" in a context where the separation between state and society, or between private and public, is difficult to define—for example, how to treat *waqf* properties or mosques that have been given by Muslim rulers. When data are not available, such establishments are explained simply as mosques without emphasising their philanthropic character. The second relates to what is called "terrorist" funding. Such "uncivil" activity is by definition not included in philanthropy. The problem lies in the definition

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[44] Moch. Nur Ichwan, "Official Reform of Islam. State Islam and the Ministry of Religious Affairs in Contemporary Indonesia, 1966-2004" (Ph.D. dissertation, University of Tilburg, 2006). It provides two chapters on Islamic charities.

[45] Arskal Salim, *Challenging the Secular State: The Islamization of Law in Modern Indonesia* (University of Hawaii Press, Nov 2008).

[46] The term "philanthropy" is derived from two Greek words, *philos* (love), and *anthropos* (humankind).

[47] Mike W. Martin, *Virtuous Giving, Philanthropy, Voluntary Services, and Caring* (Bloomington, Indiana: Indiana University Press, 1994).

[48] Ilchman, et al., eds., *Philanthropy in the World's Traditions*.

[49] McCarthy, *American Creed*.

of what is regarded as "civil" or, in this context, what is for the "public good." For example, the discussion in Chapter 6 includes voluntary efforts to further the struggle for Indonesian independence as part of the "public good." This is naturally from the perspective of Indonesians, but not from that of the Dutch! This particular aspect, though fascinating in itself will have to remain outside the further scope of this study.

This book uses the term "philanthropy" for two reasons. First, the term covers a wide range of benevolent activities. Under this term various kinds of generosity, such as volunteering and *sedekah*, can be valued, without neglecting the institutions of *zakat* and *waqf* which have received sufficient academic attention.

Second, compared to the term "charity," the term "philanthropy" has a transformative meaning.[50] The definition of charity is based on the same notion as that of philanthropy, that is, individual voluntary giving which is intended to relieve the poor. "Philanthropy" implies long-term giving that can empower society and eliminate the roots of poverty and social problems (as in the empowerment of minorities or the eradication of poverty), while "charity" implies a short-term project for immediate needs, such as disaster relief. The use of the term "philanthropy" in this book does not mean that it is limited only to the "long-term" empowerment programme. Rather, the term covers various forms of traditional "charities" as well as "modern philanthropy." Compared to other terms such as "giving," "charity" or "donation," philanthropy also denotes a modern organisation and may imply large foundations established by substantial funds, such as the Rockefeller Foundation and the Ford Foundation and—in an Indonesian context— the Sampoerna Foundation. The book treats "charity" as being as important for "philanthropy" such that both terms (and activities) complement each other. The above differentiation certainly appears in academic discourse, while in practice the terms might be used interchangeably.

The closest equivalent translation of "philanthropy" in Indonesian is *kedermawanan*,[51] from the word "*derma*" (donation). The term also covers various acts of benevolence referring to ethnic, religious, and non-religious

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[50] Gross, "Giving in America." The transformation does not diminish the meaning of charitable giving since in reality charitable practices are still needed along with the organised work of philanthropic foundations. Jonathan Benthall shows that leading philanthropic organisations in the United States avoid the term "charity" because it also denotes paternalistic connotations and insignificant gifts. See "Time to Look 'the Gift' in the Mouth" *Anthropology Today*, Vol 17, No 4 (August 2001): pp. 1-2.

[51] The English term philanthropy ("*filantropi*" in Indonesian) is now being used by certain academics and non-governmental organisations.

forms of giving and volunteering, throughout different historical periods in Indonesia.

Philanthropy and Civil Society

The concept of philanthropy itself is heavily influenced by the notion of civil society, where the voluntary efforts of people are directed to the betterment of society. Social capital (trust, norms, and networks), as theorised by Robert D. Putnam, is found in philanthropy as "civic virtue."[52] Philanthropy (including altruism and volunteering) is a form of social capital that bonds society together in the spirit of supporting the welfare of others.[53] According to Putnam's theory, religious philanthropy provides twofold social capital: religious participation and philanthropy itself. Religious participation is "bonding" social capital, which is essentially inward-looking and exclusive, but is also important for strengthening the community. Philanthropy tends to be "bridging" social capital that encompasses various social groups and constitutes a significant factor in "moving ahead."[54] The history of American philanthropy shows that the "bonding" charitable efforts of Christian Puritans have been transformed from an exclusive religious-based charity to become inclusive non-discriminative philanthropy. Alexis de Tocqueville's observations of America in the 1830s show that the philanthropic efforts of these Puritans provided a firm ground for the growth of democracy in that country.[55]

The use of religious power in philanthropy has an impact that is positive as well as negative, as mentioned by Putnam in his comments on "bonding" social capital. Sandra Cavallo's study on charity and power in sixteenth and seventeenth century Italy finds that religious preaching in a particular local context can stimulate charitable activity. As a consequence, and at the same time, this religious preaching also raises the hostility of others.[56] In the Indonesian context, the activities of Christian missions have been perceived as a threat to Islam, and accordingly became a significant causal

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[52] Robert D. Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000).

[53] Putnam, *Bowling Alone*.

[54] Ibid., pp. 22-3. Examples of "bonding" social capital are ethnic organisations and church-based women's organisations. Examples of "bridging" social capital are the civil right movement and youth organisations.

[55] Alexis de Tocqueville, *Democracy in America*, abridged by Sanford Kessler and translated by Stephen D. Grant (Indianapolis: Hackett Publishing Company, 2000).

[56] Sandra Cavallo, *Charity and Power in Early Modern Italy: Benefactors and their Motives in Turin, 1541-1789* (New York, Melbourne: Cambridge University Press, 1995).

factor in Islamic charitable activity. This can be seen in Muhammadiyah's charitable efforts and also in those of Dewan Dakwah Islamiyah Indonesia (DDII). However, the "bonding" element of religious charity has also been transformed into "bridging," as can be seen in the work of Muhammadiyah (Chapter 4 and Chapter 5) and Dompet Dhuafa (Chapter 6).

This book outlines philanthropic practices and voluntary activism as social movements. Practices of philanthropy become vehicles for changing society, and the massive membership of voluntary organisations and their charitable efforts from the early twentieth century to present-day Indonesia demonstrates the importance of the reform movement as part of the notion of having a better society. Following McCarthy, the role of voluntary activism and non-profit organisations is a sign of civil society.

Islamic Philanthropy in Indonesia

In Indonesia there are various philanthropic activities that can be included as originating from, or being influenced by, Islamic teachings. In Indonesian Muslim communities, *zakat* comprises (1) *zakat fitrah* or *fitrah* (giving at the end of Ramadan, calculated on a flat fee for each person, similar to a poll tax) and (2) *zakat mal* (giving on the basis of wealth). The general term *zakat* refers most of the time to both kinds of *zakat*, or sometimes to *zakat mal*. Islamic law regulates *zakat* and *fitrah* as compulsory (*wajib*) for Muslims, although they remain moral obligations in the sense that there is no legal obligation imposed by the state.

The term *sedekah*[57] is originally from the Arabic *sadaqa*, which has almost the same meaning as the Indonesian word *sumbangan* (donation). Various forms of and terms for donating and charitable giving, such as *infak* (donation), *hadiyah* (present), and *hibah* (grant) are included as *sedekah*. The institution of *waqf* (in Indonesian, *wakaf*) refers mainly to traditional religious endowments such as land, but in a few cases it refers to a modern *waqf* foundation.

Different from *sedekah* and *waqf, zakat* poses a conceptual question as to whether it should be regarded as a philanthropic form. Scholars on Islamic studies working on philanthropy usually focus on the institution of *waqf*, leaving *zakat* and *sedekah* aside, because *sedekah* is not developed into a distinct institution and *zakat* is regarded as a religious tax, which accordingly is not charity. This book considers *zakat* as a form of philanthropy for two reasons. First, Muslims in Indonesia have paid *zakat* to the

[57] Sometimes written or spoken as *shadaqah* or *shodaqoh*.

poor, and to institutions and intermediaries, driven by their own conscience as part of the Islamic obligations they wish to abide by. Today, *zakat* is not obliged by the government. Secondly, in Islamic history, as will be discussed in Chapter 1, it is a mistake to think that Muslim rulers invariably enforced the practice. In many cases, Muslims had choices as to whom they gave their *zakat*. In Sudan and other Muslim states in the pre-colonial period, the ideal model of *zakat* payment was different from its reality.[58] Although there are Islamic countries that impose certain forms of *zakat* as tax, it is wrong to assume that voluntary *zakat* payment does not exist in those countries. There is a growing development of international Islamic charities that collect and manage *zakat* together with many other Islamic charitable forms either in Muslim or non-Muslim countries.[59]

Forms of z*akat, sedekah* and *waqf* have been mentioned in native texts since the thirteenth century of the Indonesian archipelago (Chapter 2). These three forms are still widely practised in present-day Indonesia, and have been practised mostly according to the regulations of the Shafi'i School of law.

The practices of *zakat, sedekah,* and *waqf* are an important part of voluntary activism that, from the end of the nineteenth century, started to be institutionalised in the form of voluntary and non-profit associations. The notion and practices of philanthropy are subject to change over time, especially in terms of management and control over the practices, which are often contested. In modern times efforts to reform the practices have been on the rise, bringing with them for example, the ideas of pluralism, social justice, transparency, and gender equity in philanthropy. Activism has been focused mostly on *zakat*. Therefore, later discussions of various philanthropic efforts have tended to narrow down to *zakat*-related organisations, neglecting many modern *waqf* and Islamic foundations. Philanthropic organisations come in all types, ranging from community *zakat* committees, state-based Islamic philanthropic agencies (Badan Amil Zakat Infak dan Sedekah—BAZIS or BAZ), to community-based Islamic philanthropic organisations (Lembaga Amil Zakat Infak dan Sedekah—LAZIS or LAZ).

Apart from these Islamic organisations, non-religious philanthropic organisations also exist under social foundations (*yayasan*). They vary

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[58] Holger Weiss, *Obligatory Almsgiving An Inquiry into Zakat in the Pre-colonial Bilad al-Sudan* (Helsinki: Finnish Oriental Society, 2003).

[59] Jonathan Benthall and Jérôme Bellion-Jourdan, *The charitable Crescent Politics of Aid in the Muslim World* (London: I.B. Tauris, 2002).

from common foundations (such as the Dharmais Foundation established by former President Soeharto), personal and family-based foundations (such as Sampoerna Foundation), Corporate social responsibility (such as Dharma Bhakti Astra Foundation), and media-based foundations (such as Kompas Humanitarian Fund and Pundi Amal SCTV). Indeed, some of these charitable foundations also collect and organise Islamic forms of charity. However, since they are not clearly Islamic charities, they are beyond the focus of this study.

Methodological Notes

This book blends a historical approach with a sociological analysis. It seeks to be a part of a "new history"[60] that provides historical accounts from perspectives other than those of political figures. This follows a perspective that philanthropy is not a static social phenomenon[61] but is one that undergoes change due to social, cultural, economic and political influences. This study takes a "change and continuity" approach, assuming that society is constructed in such a way that it undergoes continual change. The term has been popularised by Harry J. Benda and has been used mainly for the study of history. Practices of philanthropy are subject to change and continuity, and religious philanthropy becomes a force behind social change. This social change (and also political change when it is applied to changing the state) is powerful because it is supported by religious faith. As Foucault has stated, "religion itself is a political force,"[62] and reforms supported by religious faith are powerful because they contain salvation themes.[63]

This book offers a history of the distant past, and of contemporaneous developments. The major challenge of writing about the early history of Islam in the Indonesian archipelago is the rarity of evidence. And therefore speculation is unavoidable, particularly for the Islamic presence before the fifteenth century.

Several Islamic institutions that have been established throughout the history of Islam in Indonesia are drawn upon as case studies. They include

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[60] Peter Burke, ed., *New Perspectives on Historical Writing* (Cambridge: Polity Press, 2001).

[61] Thomas Adam, ed., *Philanthropy, Patronage, and Civil Society. Experiences from Germany, Great Britain, and North America* (Bloomington: Indiana University Press, 2004), p. 5.

[62] Michel Foucault, "On Religion," in *Religion and Culture,* edited by Jeremy R. Carrette (New York: Routledge, 1999), p. 107.

[63] Michel Foucault, "Is it Useless to Revolt?" in *Religion and Culture,* p. 131.

the seventeenth-century Acehnese kingdom, mosque funds during the Dutch colonial period, *pesantren* Berjan (*pesantren* means "Islamic boarding school") in Central Java, the *zakat* and welfare efforts of Muhammadiyah in the colonial period, the state-based Islamic philanthropic agency of the Jakarta municipal government, the *zakat* collection body of Muhammadiyah in Kendal, and Dompet Dhuafa, a community-based Islamic philanthropic organisation.

The selection of case studies has been undertaken with regard to the following factors: the religious stream (whether it is Traditionalist, Modernist, or Islamist); the relationship to the state (community or state-based Islamic philanthropic organisations); location (urban or rural area); period; and availability of data. Owing to archival and documentary limitations, most of the selected institutions are based in Java. This is because Java has been the centre of development and of most social movements from the colonial period until the present.

The study draws on various sources: texts, reports, observations from various historical periods, Islamic legal texts, oral history, and public surveys.

For the nineteenth and the first half of the twentieth centuries, three sources have been used to gain information: archives, oral history interviews, and printed sources. Archives and documents have been found in the National Archive of Indonesia (Jakarta), the Royal Netherlands National Archive (The Hague), and in the KITLV library (Leiden). Oral history interviews were the main source for the charitable activities at Pesantren Berjan. Several reports and accounts were gathered from newspapers (such as *Sinar Hindia*), periodicals (such as *Soeara Moehammadijah*), *fatwas*, and other documentary books.

Sources after 1945 have mostly been gathered from documentation, interviews, and observations, as well as from other secondary sources such as books and information published on the internet. I have also made use of the database of a public survey "Islamic Philanthropy for Social Justice in Indonesia," which belongs to CSRC, Syarif Hidayatullah State Islamic University Jakarta.

The data consist of two databases: the public survey (which involved 1,501 respondents in 10 provinces), and a survey of philanthropic organisations (297 organisations in 10 provinces),[64] both of which were conducted

[64] The provinces are West Sumatra, South Sumatra, Jambi, DKI Jakarta, West Java, Central Java, East Java, South Kalimantan, South Sulawesi, and West Nusa Tenggara.

in 2003/4. The public survey uses the probability sampling method[65] with a 3 per cent margin of error and a 95 per cent level of trust. Respondents were chosen through a combination of multistage sampling and random sampling. Probability sampling was used since no sampling framework (a list of the entire Indonesian population) is available at national, provincial and district levels. The only reliable sampling framework is from neighbourhood associations (Rukun Tetangga and Rukun Warga). The survey of organisations employed purposive technique sampling based on three different types of institutions: mosques, state-based organisations (BAZ) and community-based organisations (LAZ). It uses a non-probability sampling framework because there is no sampling framework available at all to include the three different types of philanthropic organisations. This survey represents the social, political, and religious affiliation of the organisations, their members and staff, and their philanthropic practices.

Structure of the Book

This book consists of three parts and seven chapters. Part One comprises Chapter 1 and 2, focusing on state-civil society relation in pre-modern time, from the early period of Islam to the Islamic Kingdoms. Part Two comprises Chapter 3 and 4, focusing on state-civil society relations in the period of colonial, non-Muslim rule. Part Three comprises Chapters 5 and 6, discussing state-civil society relations in the post-independent period under a Muslim government.

Chapter 1 provides a discussion on the values and practice of philanthropy in Islam and a concise history of *zakat* management and of *waqf* in the classical Islamic period. This discussion becomes a basis for further chapters on philanthropy in Indonesia. Chapters 2 to 6 provide a history of Islamic philanthropy in the Indonesian archipelago. This is organised in a chronological sequence according to the historical periodisation of Indonesia, from the thirteenth century (when the first wave of Islamisation took place) through to the early twenty-first century. The discussion some-

[65] Sampling is a method to select respondents of a survey when the population is large. Generally, there are two classifications of sampling methods according to the availability of sampling framework—namely, probability and non-probability. In probability sampling (such as random sampling and stratified sampling), respondents are selected according to a random manner, whereas non-probability sampling (such as snowball sampling) is made by some non-random manner.

times goes beyond one period; as for instance when dealing with organisations that have survived until the present.

Chapter 2 seeks to provide an insight into how Islamic philanthropic practices, namely *zakat, sedekah* and *waqf*, were introduced to the Indonesian archipelago along with Islamisation. It suggests that Islamic philanthropy, especially *zakat*, has been practised according to the religious, economic, and political orientations of the rulers. Neither was *zakat* collection monolithic in the Islamic kingdoms—it took a variety of forms between state enforcement and state non-interference.

Chapter 3 focuses on the practices of Islamic philanthropy in the nineteenth century and the early decades of the twentieth century, which was the period of Dutch administration. It investigates how *zakat, sedekah,* and *waqf* were practised under the religiously neutral policy of non-Muslim rulers. It provides a picture of the growth of philanthropy, as a result of the government policy of non-interference with religion, including the question and practice of religious philanthropy.

Chapter 4 presents the efforts of reformist Muslims to organise and modernise Islamic philanthropy, and to develop it within the community, independent of the state. It presents the work of Muhammadiyah, the Modernist organisation that pioneered modern philanthropy under a strong secular Dutch government. It shows that Islamic philanthropy developed well in a secular state.

Chapter 5 discusses Islamic philanthropy as it developed under the Indonesian governments of the Old and New Orders, showing how it gradually came under the control of the government, particularly the New Order. The strong New Order government did not provide space for the civil society. Community philanthropy remained in practice in rural areas, but organised philanthropy was not in favour. Instead, the establishment of philanthropic organisations was led by government agencies and officials. The effort to reform philanthropy, which had been co-opted by the state, did not gain strong support among Muslims at grass-roots level.

Chapter 6 elaborates on Islamic philanthropy in the post-New Order period. It shows that the strong civil society movement wanted to take the leadership of the reform of Islamic philanthropy back from the weak state. The Modernist and Revivalist Muslims succeeded in pressuring the *Reformasi* governments to modernise philanthropy for their own interpretation to Islamise society and also the state. Unfortunately, the reform was only among small certain urban communities, and could not affect the majority of practices that remained under the control of Traditionalist Muslim

leaders. The chapter shows that although the weak state could be used by certain groups, the administration was too weak to successfully control philanthropy. Instead, philanthropy has remained in the hands of civil society.

Chapter 7 concludes the book and analyses the nature of the state in relation to the development of Islamic philanthropy in the Indonesian archipelago.

PART ONE

FROM EARLY ISLAMISATION TO ISLAMIC KINGDOMS

Islamic philanthropic practices have been developed from the early Islamisation period and incorporated into prevailing practices alongside the growth of Islam. The practices of *zakat*, *sedekah*, and *waqf*, were among the prevailing forms brought to the Indonesian archipelago. While practices of philanthropy in the early history of Islam—starting from the seventh century Arabian Peninsula—have been relatively well recorded through the traditions of the Prophet, and through books, records and monuments, very little written and material evidence of such practices has survived from the early history of Islam in the Indonesian archipelago. However, there is enough evidence to conclude that ideas and forms of Islamic philanthropy gradually came to play a role under Muslim rulers or Kingdoms in many regions of the archipelago.

This part of the book argues that in this pre-modern period, independent institutions such as '*ulama*, *sufi* orders (*tarekat*), *waqf*s, mosques and universities developed well in the central Islamic lands, stood as intermediaries and, in many cases, became buffers between the ruler (the state) and the citizens, and these institutions showed the presence of civil society. It must be said that the relationship between civil society and the state might vary, due to different types of sultanates over a given period and due to conditions in different regions. However, in general it showed the existence of civil society, albeit at a relatively low level. Islamic philanthropic resources and institutions such as *waqf*s, mosques, and *zakat* have revealed the notion of civil society in themselves, and this notion resulted from two aspects: the existence of a public sphere, and the pooling of philanthropic resources that created an independence against the intervention of the ruler.

Philanthropic practices in the early Indonesian archipelago show some level of similarities in the above conditions. Before colonialism, the political power of Islamic kingdoms was gradually declining and later was replaced by many local leaders, including religious ones.

This section of the book argues that there was a trend towards a decline in the state collection of *zakat*, and a corresponding increase in the payment of *zakat* to local individual religious functionaries and independent institutions, and in direct giving to the poor. This trend is seen in the central Islamic lands as well as in the Indonesian archipelago. *Zakat* has been used as a resource to support individual poor Muslims and as a "salary" given to religious functionaries, and together *zakat*, *sedekah*, *waqf* and

mosques, have created an informal relationship between the people and religious functionaries and leaders. While Muslim monarchs also involved themselves in this tradition by using the practices in their own interest, in rural Muslim communities the relationship was simple and involved a patron-client reciprocity. In general this trend somewhat empowered local religious functionaries and institutions, which became—borrowing Robert Hefner's term—a civil precedence[1] that was important for the strong development of civil society.

[1] Robert W. Hefner, *Civil Islam: Muslims and Democratization in Indonesia*, (Princeton, NJ: Princeton University Press, 2000), p. 20.

CHAPTER ONE

PHILANTHROPY IN ISLAMIC TRADITION

This chapter introduces the values and practices of philanthropy in Islam, with an emphasis on their effects in framing civil society, the public space between the state/ruler and individuals, and an occasional reference to Indonesia. It argues that the religious authority of the *'ulama* (Muslim jurists/scholars) over certain practices and institutions of philanthropy, especially *zakat*, functions to maintain the independence of these practices and institutions from the leadership and organs of the state.[1]

The chapter will limit the scope of its discussion to four topics: an introductory discussion of normative principles of Islamic philanthropy, the authority of *'ulama*, historical analyses of the practice of *zakat* management, and the institution of *waqf.* While Section One focuses on principles of Islamic philanthropy that are found in two authoritative sources, namely the Qur'an and the Prophetic tradition (*hadith*), Section Two focuses on various interpretations of the multi-interpretative character of those sources. Section Three provides a brief historical account of state *zakat* management, from the time of the Prophet (the seventh century CE) to contemporary times. The final section deals with the historical development of *waqf*, looking specifically at the *waqf* institution of Al-Azhar University in Cairo, Egypt, from the eleventh to the twentieth centuries. These practices of *zakat* and *waqf* reflect the prevailing practices of philanthropy in the centre of the Islamic world, which can be compared later with the development of Islamic philanthropy in the Indonesian archipelago.

The chapter does not attempt to examine whether or not the practices are carried out according to the defining concepts. Rather, it looks at how the institutions of *zakat* and *waqf* have been interpreted by *'ulama* to adapt easily to different political, economic and social conditions. I treat Islamic philanthropic practices (mainly *zakat, sedekah,* and *waqf*) as living traditions that have been dynamically developed by ruler, *'ulama* and society through a "reading" of those fundamental Islamic texts. Thus Islamic phi-

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[1] It follows the argument of Muhammad Khalid Masud, "*Zakat* in Islamic Law," Draft submitted to the International Workshop on *Islamic Philanthropy for Social Justice* held at Flinders University, Adelaide, 7-8 November 2005.

lanthropy has been transformed from traditional charity into modern philanthropy, although traditional practices have not been eliminated but, in fact, still dominate.

The Concept of Philanthropy in Islam

Generally, philanthropy is understood in Islam (in the words of Robert McChesney) as the "believer's moral obligation to do good work on God's behalf."[2] This association between philanthropy and moral obligation is not dissimilar to that identified among Christian Puritans by Alexis Tocqueville in 1830s America, the spirit of which became firm ground for the growth of democracy in that country. In Islam, this moral obligation has been institutionalised into many forms which in the Islamic canon are either recommended or compulsory. *Zakat* is one of the three most practised forms of philanthropy in the Islamic world, the other two being *sedekah* (donations), and *waqf* endowment (foundations, trusts). These forms share some similarities and differences with the practices of philanthropy as practiced by other faiths, and they may indeed have been influenced by practices such as the tithe in Christianity, the *tsedaka* in Judaism, and Zoroastrian and Sasanian philanthropic institutions.[3]

Zakat, sedekah and *waqf* are strongly represented in both the Qur'an and the Prophetic tradition. In the Qur'an, philanthropy is referred to variously as *zakat*, *sedekah*, *birr* (righteousness), *'amal al-salihat* (good deed), *khayr* (goodness), and *ihsan* (virtue).[4] *Sedekah* (Ar. *sadaqa*: sincere giving) is actually a general term that encompasses each of these three forms of philanthropy, as well as other traditions that are regarded as meritorious, such as giving (*hadiyah*, *hibah*), bequests, animal sacrifices (*qurban*), and birth celebrations (*aqiqa*).[5] The word *sadaqa* itself can in fact refer to any

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[2] "Charity and Philanthropy in Islam: Institutionalizing the Call to do Good," Essay on Philanthropy No 14 (Indianapolis: Indiana University Center on Philanthropy, 1995), p. 6.

[3] There is ongoing debate regarding the distinctiveness and similarities of Islamic philanthropy vis-à-vis other forms of faith-based philanthropy. Among scholars who emphasise an external influence on Islamic philanthropic traditions are McChesney, Heffening, Becker, and J. Schacht; whilst among those who emphasize the distinctive character of Islamic charity are Cahen and Singer. For a discussion of the origin of the *waqf* see "Wakf," in *The Encyclopaedia of Islam: New Edition*, vol XI (Leiden: Brill, 2002), p. 60.

[4] Azim Nanji shows how the Qur'an uses the words *zakat*, *sadaqa* and other words denoting benevolence and provides a short historical outline of almsgiving based on the Qur'an. Azim Nanji, "Almsgiving," *Encyclopedia of the Qur'an,* vol I, edited by Jane Dammen McAuliffe (Leiden: Brill, 2006), pp. 64-70.

[5] *Hadiyah* and *hibah,* which both mean "gift," are regarded as charity when they are intended for the poor or used for the benefit of the general public. A bequest is a gift that

act of goodness,[6] from an act as small as smiling, to serving the community, or to some grand philanthropic deed such as donating a building. There is no specific institution of *sedekah* as such. Therefore, *sedekah* is a flexible concept in Islamic legal discourse, and is the least regulated of the three forms. This flexibility allows *sedekah* to be practised widely in Muslim communities, from the social and economic elite to the very poor, and to be adapted according to the giver's circumstances. *Sedekah* often fulfils a social security function in Muslim communities, though it also fits within the patronage system.

Compulsory *sedekah* is *zakat*. The term *zakat* means purification and growth, and it is understood that *zakat* can purify someone's wealth as well as their soul. It also means it can bring about a "growth" in their wealth. According to Islamic law, *zakat* is a religious obligation for wealthy Muslims, involving bestowing a fixed percentage of their gross wealth upon the poor in a specified period.[7] There are two kinds of *zakat*—namely *zakat* on wealth (*zakat al-mal*) and *zakat al-fitr,* or *fitrah.*[8] The practice of *zakat* is mainly in the form of *zakat al-mal*, (often called *zakat* by default), which is essentially a tax imposed on the rich in accordance with Islamic law. *Zakat* has specific provisions regarding who should pay, what kind of wealth should be referred to as *zakat*, how much should be paid and when, and who should receive it (beneficiaries). Its obligation is written in the Islamic canon and endorsed by jurists, and the obligation on Muslims to pay *zakat* has been endorsed—sometimes enforced—by Islamic rulers. However, state enforcement is not always endorsed by jurists, on the basis that *zakat* has been seen as individual obligation to God, not to a ruler who might even be illegitimate. In the latter case *zakat* itself could be illegitimate too and would not be a purification to the donor.

Fitrah is a kind of *zakat* given to celebrate the end of the fasting month Ramadan (*'Id al-Fitr*). Through it solidarity is expressed to those who do

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is actualised after someone dies. Some bequests are *hibah* for public use. Animal sacrifices at the occasion of *'id al-Adha* are definitely regarded as being on behalf of the poor. For more information on these practices refer to *the Encyclopaedia of Islam*.

[6] *Sahih Muslim*, *hadith* no 2197. Book 5 chapter 16 of *Sahih Muslim* entitled "*sadaqa* includes all types of good acts." *Sahih Muslim,* translated by 'Abdul Hamid Siddiqi (Beirut: Dar al Arabia, 1971).

[7] A comprehensive work on legal discussion of *zakat* is Yusuf Qaradawi, *Fiqh al-Zakat Dirasat muqaranat li ahkamiha wa falsafatiha fi dhau'i al-Qur'an wa al-Sunna,* 2 vols. (Beirut/Lebanon: Al-Risalah, 1997). For a general discussion on legal and practical aspects of *zakat* see A. Zysow, "*Zakat," The Encyclopaedia of Islam*.

[8] I will use the terms *zakat* and *fitrah*. When referring to the general institution, the term *zakat* is used.

not have enough food, by those Muslims who have more than enough. As the minimum quantity to be donated as *fitrah* is affordable, namely three and a half litres of foodstuffs such as rice or wheat (per person), most Muslims can abide by it. In addition to *sedekah*, *fitrah* has been widely practised in Muslim communities, not only because it is affordable, but because it remains in the hands of Muslim communities, and is free from state interference.

Sedekah which has enduring benefits for the donor is *waqf* (Ar., pl. *awqaf*) or *habs* (pl. *hubus*),[9] wherein donors are believed to receive perpetual rewards for their generosity—extending even beyond their death, for as long as the property continues to benefit other people.[10] *Waqf* literally means to halt or confine certain assets from their human owners and dedicate them to God for public access or charitable causes.[11] It can be equated with the conventional Western institution of the charity/public trust or foundation, which includes both religious and non-religious assets dedicated to the benefit of the general public. With incontrovertible legal provisions forbidding the sale, bequest, transference, and even the state ownership of *waqf* properties, *waqf* is generally safe from state interference. Furthermore, several studies have shown that the institution of *waqf* has become part of a public sphere that has fostered the growth of Muslim civil society.[12] I will elaborate on this point in my discussion of the independence of *waqf* institutions in Section Four.

Among these three forms, *zakat* and *sedekah* are mentioned repeatedly in the Qur'an and *hadith*, while the term *waqf* is mentioned less often, and is limited to the *hadith* only. However, *waqf* institutions have prevailed, having been supported and financed by the majority of Muslim communities. Theoretically and practically, *waqf* and *sedekah* remain in the hands of, and are actively managed by, Muslim civil societies (although there are some exceptions) while *zakat* has become the privileged domain of both Islamic rulers and Muslim civil societies. I will discuss these points further in Sections Two and Three.

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[9] The use of the term *habs* is limited to areas that follow the Maliki School of Islamic law.

[10] This is called *sedekah jariya*, which refers to the *hadith* statement that "When a man dies, his acts come to an end, except for three: recurring charity (*sedekah jariya*), or knowledge (by which people) benefit, or a pious child, who prays for him (for the deceased)." *Sahih Muslim, hadith* no 4005.

[11] For a comprehensive reference on *waqf* see "Wakf," in *Encyclopaedia of Islam*.

[12] See for example Amy Singer, *Constructing Ottoman Beneficence: an Imperial Soup Kitchen in Jerusalem* (Albany: State University of New York Press, 2002), and R.D. McChesney, *Waqf in Central Asia: Four Hundred Years in the History of a Muslim Shrine, 1480-1889* (Princeton, N.J: Princeton University Press, 1991).

According to the Qur'an and the Prophetic tradition there are three important aspects of philanthropy—namely religious obligation, religious morality, and social justice. According to this tradition, the first notion is set as a general directive, the second concerns social morality, and the last touches on the core aim of philanthropy and religion itself. A number of verses regarding philanthropy in the Qur'an correlate with these notions, and the number of verses addressing each of these aspects of philanthropy correlates with this hierarchy. Most verses address the issue of religious obligation, some address religious morality, and only a few address social justice.

The notion of religious obligation in philanthropy is underpinned by the obligatory nature of *zakat* as an Islamic ritual. The Qur'an has eighty-two verses placing the obligation to pay *zakat* immediately after the obligation to pray (*salat*), which makes *zakat* one of the Islamic pillars.[13] These Qur'anic verses almost always follow statements regarding the imperative nature of *zakat* with a discussion of the rewards to be obtained from its observance, but few address the moral punishments that are to be meted out for neglecting *zakat*.[14] Discussions of moral retribution for uncharitable and greedy behaviour mostly relate to usury, the accumulation of wealth, and neglect of the needy. Condemnation and punishment for those who do not pay *zakat* are, in contrast, mentioned in only a few *hadith*.[15]

Zakat as a religious obligation exemplifies the Muslim doctrine of purification. Verse 9:103 of the Qur'an[16] presents this concept, referring to the purification of one's wealth and the purification of the heart. The purification of wealth is generally regarded as forming an indivisible unity with the growth of wealth (something that is taken from the meaning of the

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[13] *Zakat* is generally regarded as the third pillar after *shahada* (pronouncement of faith), and practising *salat*. The fourth pillar is fasting, and the last is performing the *hajj*.

[14] Among the few is Qur'an verse 69: 31-34, "And burn ye him in the Blazing Fire. Further, make him march in a chain, whereof the length is seventy cubits! This was he that would not believe in Allah Most High. And would not encourage the feeding of the indigent!" I use the Qur'anic translation of Yusuf Ali.

[15] In the collection of *hadith* by Muslim Ibn al-Hajjaj al-Qushayri (Imam Muslim), there is only one *hadith* (in chapter 362) that clearly mentions the punishment for neglecting *zakat* (*hadith* no 2170 or 2171). See *Sahih Muslim.* In the collection of *Sahih Bukhari* there are three *hadith* (no 485, 486, and 539), an explanatory verse 9: 34-5, and the above mentioned verse 69:31-4. See Muhammad ibn Ismail Bukhari, *Sahih al-Bukhari: the translation of meanings of Sahih al-Bukhari: Arabic-English*, translated by Dr. Muhammad Muhsin Khan (Al-Madina Al-Munawwara: Islamic University, 1990).

[16] Read as follows: "Take alms (*sadaqa*) out of their property, you would cleanse them and purify them thereby, and pray for them; surely your prayer is a relief to them; and Allah is All-Hearing, All-Knowing."

word *zakat*). This is widely understood by Muslims and promoted by *'ulama*. In books of *fiqh* (Islamic jurisprudence), *zakat*, together with prayer, fasting, and pilgrimage, are all regarded as a purely religious ritual (*'ubudiyya*),[17] whose obligation promotes spirituality. This is different from *waqf* and *sedekah,* which are treated as "recommended social matters" (*mu'amala*).[18] Every act in Islam is regarded as worship (*ibadah*): ritual *ibadah* aims for personal benefit and social *ibadah* aims to benefit humanity.[19]

Religious morality, the second notion, underlies the imperative nature of *zakat*. It stresses the importance of charity which goes far beyond ritual performance. One verse clarifies the understanding of righteousness as follows:

> It is not righteousness that you turn your faces towards East or West; but it is righteousness to believe in Allah and the Last Day, and the Angels, and the Book, and the Messengers; to spend of your substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves; to be steadfast in prayer, and practise regular charity, to fulfil the contracts which ye have made; and to be firm and patient, in pain (or suffering) and adversity, and throughout all periods of panic. Such are the people of truth, the God-fearing.[20]

In this verse, charity is not just for the sake of obligatory ritual: it is evidence of faith. Acts of generosity, some of which are mentioned in the above verse, are a sign of piety[21] and such signs—of piety and faith—include helping orphans and neighbours (Qur'an 107:1-7). In addition to the Qur'an, there are many *hadith* stating that charity is a sign of faith.[22]

Finally, the notion of social justice in the context of philanthropy is elaborated in the Qur'an as encompassing the rights of the poor to receive donations, (Qur'an 51:19[23] and 17:26),[24] the wealth distribution between

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[17] *'Ubudiyya* relates to interaction between human beings and God.

[18] *Mu'amala* relates to interaction between human beings.

[19] The subject of *waqf,* for example, is elaborated in the *mu'amala* chapter in *Fiqh al-Sunnah* of Sayyid Sabiq (Cairo: Dar Al-Diyan lil-turats, 1990), 3 vols. vol. 1 on ritual (*ibadah*), vol. 2 on marriage and criminal, vol. 3 on peace, war and *mu'amala*. In the *Al-Fiqh al-Islami wa Adillatuh, waqf* is discussed in the chapter on wealth (*al-huquq al-maliyah*).

[20] Qur'an 2:177.

[21] See Qur'an 98:5; Qur'an 107:1-3, and Qur'an 3:133-134; and Qur'an 9:18.

[22] *Hadith* no 432, 2253, 2254, and 2255, *Sahih Muslim*. A *hadith* that is quite well known in Indonesia is that someone who sleeps with a full stomach although he knows that his neighbours go hungry is not fully a follower of the Prophet.

[23] "And in their wealth and possessions (was remembered) the right of the (needy), him who asked, and him who (for some reason) was prevented (from asking)."

[24] "And render to the kindred their due rights, as (also) to those in want, and to the wayfarer: But squander not (your wealth) in the manner of a spendthrift."

rich and poor (Qur'an 59:7), and the maintenance of a degree of economic equality (Qur'an 59:7).[25] The idea of rights for the poor functions as a pretext and an encouragement for the poor to seek help, and for the rich to feel obliged to share their wealth. The passing of wealth from the well-to-do to the needy corroborates the idea that wealth belongs to God, while humans are responsible for its safekeeping. While ownership of wealth is permissible, responsible consumption is urged.[26] One *hadith* mentions that "…Allah has made it obligatory for them to pay *zakat* which will be taken from the rich among them and given to the poor among them…"[27] In addition, philanthropy promotes greater equality within the community, which is regarded as a basis for social harmony. This notion is promoted by a *hadith* urging people to abstain from miserliness because it could lead to bloodshed and destroy entire societies.[28]

Islamic conceptions of social justice have been further elaborated by Muslim jurists and scholars in more modern times. In the early twentieth century, Sayyid Qutb, the Egyptian Muslim reformer, stressed the realisation of social justice in Islam, for which purpose he promoted the institution of *zakat*.[29] More progressively, some Muslim scholars have proposed a social justice-based model of philanthropy as a means of revitalising and modernising philanthropy according to the Qur'anic conception of social justice.[30] These scholars have asserted that the practice of Islamic philanthropy has been mostly tradition-bound and does not fulfil the current

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[25] "What Allah has bestowed on His Messenger (and taken away) from the people of the townships—belongs to Allah, to His Messenger and to kindred and orphans, the needy and the wayfarer; In order that it may not (merely) make a circuit between the wealthy among you. So take what the Messenger assigns to you, and deny yourselves that which he withholds from you. And fear Allah, for Allah is strict in punishment."

[26] This belief about wealth echoes Judaism and Christianity. For more on the comparison of the three, see James F. Smurl "Three Religious Views about the Responsibilities of Wealth," Essay on Philanthropy no 4 (Indiana: Indiana University Center on Philanthropy, 1991). The Christian notion that wealth belongs to God and that Christians must give donations was observed by Tocqueville in the 1930s America.

[27] *Hadith* no 573, *Sahih Bukhari*.

[28] Amelia Fauzia, et al., *Filantropi untuk Keadilan Sosial Menurut Tuntutan Al-Qur'an dan Hadith* [Social Justice Philanthropy Revealed in the Qur'an and Hadith] (Jakarta: Pusat Bahasa dan Budaya, 2003), p. 7.

[29] Sayyid Qutb, *Al-'Adala al-Ijtima'iyya fi al-Islam* [Social Justice in Islam], 5th ed. ([Cairo]: Dar Ihya al-Kutb Al-Arabiyyah, 1957).

[30] This was the central topic of the research project Philanthropy for Social Justice in Muslim Societies, held by the State Islamic University Jakarta. A project publication promoting a social justice-framed understanding of pertinent Qur'anic verses and hadith is Fauzia, *Filantropi untuk Keadilan Sosial*.

needs of Muslim communities.[31] They advocate a revitalisation and contextualisation of the practice of philanthropy, to focus not only on short-term charity, but also on the long-term purpose of eradicating injustice and the roots of social problems which affect everyone, regardless of their gender, race, nationality, or religion.[32]

Modern ideas of gender equality, religious non-discrimination, and the transparent management of charity do in fact have precedents in both the Qur'an and *hadith* that can be used to justify the ideas. Gender equity in the evaluation of charitable deeds and generosity can be seen in the Qur'an 16:97[33] and 9:71, which suggest that acts of giving performed by males and females are of equal value. Examples are found in *hadith* indicating the essential role and value of women's generosity.[34] The principle of non-religious discrimination in philanthropy can be seen in Qur'an verse 60:8[35] and the *hadith* collection of *Sahih Muslim*.[36] Regarding transparency, the Qur'an shows that both confidential and public giving are acceptable (The Qur'an 2:274, 14:31, 35:39.)[37] Even though there are verses and *hadith* that also propose secretive giving, both the Qur'an and *hadith* advocate transparency and accountability.[38] Secretive giving is taught for the purpose of

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[31] Abdullahi Ahmed An-Naim, *Filantropi untuk Keadilan Sosial menurut Tradisi Islam*, in *Berderma untuk Semua, Praktek dan Wacana Filantropi Islam*, edited by Idris Thaha (Jakarta: Pusat Bahasa dan Budaya & Teraju), pp. 295-302; Abubakar and Bamualim, eds., *Filantropi Islam dan Keadilan Sosial*.

[32] Abdullahi Ahmed An-Naim and Asma Mohamed Abdel Halim, "Rights-based Approach to Philanthropy for Social Justice in Islamic Societies," paper presented in a conference on Philanthropy for Social Justice in Muslim Societies, Istanbul, 1-4 September 2004. Available at The American University in Cairo, John D. Gerhart Center for Philanthropy and Civic Engagement, <http://www.aucegypt.edu/research/gerhart/Documents/RightsbasedPhilanthropyAugust2006.pdf> (accessed 06 March 2011).

[33] "Whoever works righteousness, man or woman, and has faith, verily, to him will We give a new life, a life that is good and pure and We will bestow on such their reward according to the best of their actions."

[34] *Sahih Bukhari* collection no 506, 518, 521, 529, and 529.

[35] "With regard to those who fight you other than for (your) Faith and without driving you out of your homes, Allah does not forbid you to deal kindly and justly with them, because He loves those who are just."

[36] There is a chapter on "excellence of spending and giving charity to relatives, to wife, to children, and parents even if they are polytheists," (chapter 14), *Sahih Muslim*, pp. 92-4. There is also a *hadith* by Ibn Shaiba mentioning that the Prophet gave *sedekah* and *khums* (one fifth of booty) to non-Muslims under the protection of Islam.

[37] Verse 2:272 can be translated as follows: "Those who (in charity) spend of their goods by night and by day, in secret and in public, have their reward with their Lord: in them shall be no fear, nor shall they grieve."

[38] Qur'an 2:282. *Hadith* no 576 of *Sahih Bukhari* shows the prophet's emphasis on accountability in the collection of *zakat*.

protecting the feelings of receivers (Qur'an 2:271 and 264), whilst also conforming with the prohibition of boastfulness (*riya*).[39]

The above references to both the Qur'an and *hadith* show how Muslims and Islamic jurists have throughout history sought to adapt to continual social change by drawing from, and often reinterpreting sources within the Qur'an. The concept of religious obligation prevailed during the classical period of Islam when the state was involved in *zakat* matters. In those times, however, *'ulama* or jurists played important roles within their jurisdiction to limit the intrusion of state power. The following paragraphs will focus on the ways Muslim jurists revised their understanding and the utility of Islamic law by reinterpreting specific Qur'anic verses with an aim of adopting them to suit changing social, political and economic circumstances.

With regard to *zakat*, the reign of despotic rulers in dynastic Islamic history could have inspired a rethink as to whether the institution of *zakat* should be interpreted as an individual religious obligation rather than a duty of the state. *Zakat* serves two different functions, acting as a philanthropic practice and at the same time as a government tax.[40] *Zakat* has always been obligatory in Islamic law. However, its status as a government tax has changed in different periods and locations, especially with changes in the political structure of Islamic states and the growing number of Muslims living in non-Muslim societies. These changes thus encouraged a reappraisal of traditional discourse regarding whether the practice of *zakat* constitutes a state obligation or a voluntary giving as part of a religious obligation (See further discussions in Section Three).

With limited textual references in the Qur'an, jurists have created regulations of *waqf* which keep it independent of the state, with the exception of the provision of documentation and the handling of disputes. Utilising the flexibility of their legal status, *waqf* institutions have been able to provide a variety of important resources for community development. The property of *waqf*—which, in the early period was given in the form of an orchard[41]—has expanded to cover an abundance of valuable assets ranging from buildings, mosques, public kitchens, public baths, schools, bridges, books, shops, markets, hostels and other ventures to shares and cash.

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[39] Most of the *hadith* passages on charity mention public giving. Secretive/anonymous giving is endorsed in order to avoid boastful giving which could hurt the feelings of receivers. *Sahih Muslim* mentions only one *hadith* under the heading of the excellence of giving *sedekah* secretly. *Sahih Muslim*, chapter 30, p. 108.

[40] Masud, "*Zakat* in Islamic Law," 1.

[41] See the text of the *hadith* in p. 60.

The key factors causing *waqf* to be relatively popular are the flexibility accorded to its forms and usages, its lasting benefits, correlation with commercial modes of operation, the facility for indirect giving, and its relative invulnerability to the intervention of the state or of other interested groups or individuals. Particularly in view of this last point, *waqf* is favoured among rulers and the social elite as it allows public recognition of their legacy to survive for decades, regardless of political power changes. It may function as a political vehicle, as evidence of the generosity of one's dynasty, and also as a vehicle for religious salvation, assuring the benefactor a place in the hereafter.

The Authority of Jurists and Their Interpretations

Given that no single central figure has a monopoly on religious authority covering Muslim civilisation in its entirety, Muslim jurists have significant religious authority. As the intelligentsia, jurists hold a significant role both within the government and in society. They exert religious legitimacy by interpreting and enacting Islamic law during the dispensation of their legal duties.

Jurists' interpretations and regulations are not un-swayed by socio-political and ideological influences. Such influences, indeed, led to the creation of the two main schools of law, Shiite and Sunni,[42] each of which has several sects. There are four influential schools of Sunni law—namely the Hanafi, Maliki, Shafi'i, and Hanbali; the three largest Shiite schools being 'Twelver' (Imamiyya), Ismaili and Zaidi.[43] These schools of law have dominated classical debates on Islamic law and jurisprudence, including legal aspects of *zakat* and *waqf*, and their respective influences continue to the present. Some debates deal with minor and technical matters, such as differences of opinion over the value of precious minerals and treasures as

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[42] The Shiite and Sunni factions were created after a harsh political conflict involving the selection of a caliph—the leader of the community. This political conflict led to a schism of religious authority and later differentiation, both in religious practices as well as social aspects. Shiites are the followers of Ali ibn Abi Thalib. This group probably numbers around 10 per cent of the world's Muslim population. Sunnis represent the majority of Muslims in the world. See the *Encyclopaedia of Islam*.

[43] Wahbah Al-Zuhayli in his *Al-Fiqh al-Islamy wa Adillatuh,* vol III (Bairut: Dar al-Fikr, 1997) includes small Schools which are not widely distributed, namely Al-Zahiri, founded by Daud Al-Zahiri (d. 822), Zaydiyya, founded by Zayd ibn Ali Zayn al-Abidin (d. 739), 'Ibadiyya, founded by Abu Al-Sha'tsa' al-Tabii Jabir ibn Zayd (d. 711), and Al-Imamiyya (also commonly translated as 'Twelver,' founded by Imam Abu 'Abd Allah Ja'far al-Sadiq (d. 765). Zaydiyya and Twelver are Shi'a subsects. See pp. 42-62.

zakat offerings. Others are quite significant, such as that regarding the obligatory nature of *zakat*. Sunnis are of the opinion that *zakat* is an obligation, but the Twelver's school of the Shiite tradition recognizes cases where *zakat* is recommended but not obligatory.[44] There are no significant differences in the practice of *zakat* between the Sunni and Shiite traditions. However, Shiite law stresses the importance of the right of the ruler or leader to one fifth (*khums*) of one's possessions, in addition to *zakat*.[45] These debates are mostly dominated by Sunni schools of law, since they have significant influence and strong followings, and are recorded in books of *fiqh*.

Fiqh works on philanthropy are enriched by the various opinions of, and debates between, jurists from different schools of law. Indeed, neither individual jurists nor the schools of law they represent are free from local and political influences. As Ibn Khaldun has pointed out, people are influenced by their geographical and political environments. The Hanafi school[46] is known as rationalist (*ahl al-ra'y*—"people of private judgment"), as opposed to the Maliki and Shafi'i Schools[47], which were known as traditionalist (*ahl al-hadith*—"people of *hadith*"). The Hanbali School[48] has some similarities to the Shafi'i School. Among the four schools, the Hanafi School is regarded as the most rational and flexible, while the Han-

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[44] Zysow, "Zakat," p. 411.

[45] The difference is in interpreting the word *ghanima* in the Qur'an 8:41 of which one fifth should be taken. Sunnis are of the opinion that *ghanima* only refers to "war booty," but Shiites are of the opinion that it refers to both "war booty" and any gain or profit. *Khums* is a kind of *zakat* on income, due at a high rate namely 20 per cent (compared to 2.5 per cent *zakat* on income), which is given to the ruler.

[46] Hanafism is the oldest school. It was established by Abu Hanifah an-Nu'man bin Tsabit (d. 767) in Kufah (Iraq) during the Umayyad and Abbasid caliphates. The Hanafi School was adhered to by the Ottoman and Mughal empires, so today it has the largest following of Sunnis (49 per cent) in the world.

[47] The Maliki School was founded in Medina by Malik bin Anas (d. 796), who lived during the two caliphates. The Maliki School is followed by approximately 15 per cent of Sunni Muslims, who mostly live in North and West Africa. The Shafi'i School was established by a student of Malik, Muhammad ibn Idris al-Shafi'i (d. 820). Shafi'i was born in Gaza and studied in Mecca and later in Medina as a disciple of Imam Malik. He then moved to Baghdad and established his own School. He moved to Cairo from where his ideas, some of which are in opposition to the old opinions (*qaul qadim*) he had when he lived in Baghdad became known as new opinions (*qaul jadid*). Today the Shafi'i School is followed by 28 per cent of Sunni Muslims, mostly in Southeast Asia.

[48] The Hanbali School was established by Ahmad Ibn Hanbal al-Shaibani (d. 855) in Baghdad. It is followed by around 10 per cent of Sunnis who mainly live in the Arabian Peninsula. The Saudi kingdom and Wahabi supporters more often cite the Hanbali authorities.

bali school is regarded as the most conservative, followed by the Shafi'i school. However, this is not true in every case.

Different opinions colour basic concepts, elements, and the ways *zakat* and *waqf* are practiced. Jurists created systematic regulations stipulating which kinds of property *zakat* is due on, what "income threshold" is subject to *zakat*, the rates, who should pay (*muzakki*), how it is to be paid and distributed, and who is eligible to receive *zakat* money (*mustahiq*). Similar regulations exist for *waqf*: who can donate a *waqf* (*waqif*), what properties can be given (*mauquf*), who can qualify as a beneficiary (*mauquf alaih*), and who its administrator (*nazir*) should be. These elements are open to debate and subject to many variations, as can be seen in the comprehensive *fiqh* books such as *Fiqh al-Sunna, Al-Fiqh al-Islami wa Adillatuh*, and *Al-Fiqh ala Madhahib al-Arba'ah.* These different opinions are not always definitive, however. In fact, it is legal to go "shopping" through the laws of the different schools according to the principle of *talfiq* (combining or taking opinions from other schools) in order to find a suitable practice. The paragraphs below will demonstrate how jurists have differed in their approach to, and interpretation of some cases involving *zakat* and *waqf* practices.

In relation to the beneficiaries of *zakat*, jurists refer to Qur'an 9:60, which says:

> Alms (*sedekah*) are for the poor and the needy, and those who work for the management of the (funds), and those whose hearts are reconciled (to Truth), for (freeing) those in bondage and in debt, for advancement of God's cause, and for the wayfarer; (thus is it) ordained by God, and God is full of knowledge and wisdom.

Although the verse clearly identifies eight beneficiaries, there are ambiguities as to whether these categories refer to the distribution categories, receivers, or (in a more unconventional interpretation) if they do not identify categories at all, but merely denote examples.[49] With regard to such ambiguities, jurists often differ in their interpretations of many specific issues. Examples include: whether the *zakat* funds should be given directly to persons or to organisations; whether they can be used for the maintenance of facilities and not for persons; whether the distribution should always be given to each of the eight categories listed in the passage above;

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[49] The distribution of *zakat* in the early history of Islam was somewhat based on practical considerations. See Asghar Ali Engineer, *The State in Islam Nature and Scope*, rev. ed. (India: Hope, 2006), pp. 64-78. This can be seen in the outline of the practice of *zakat* in Section Four.

whether the amount distributed should be uniform; whether distribution to places other than recognised collection areas is possible and so on.

Jurists also differ in their interpretations of the membership of the categories listed above. The most controversial are those in bondage (*fi al-riqab*) and those contributing to the "advancement of God's cause" (*fi sabilillah*). The meaning of *riqab* has been challenged in the modern period, when slavery in its classical form no longer exists. Some stick to the literal translation, namely "slaves," whilst others interpret it to mean people suffering slave-like conditions, such as illegal migrant workers. The meaning of *fi sabilillah* has also been widely debated, with arguments over whether it should follow a narrower meaning common in ancient texts of wars in the name of Islam—or whether it is implied in a more general sense, as any entity that benefits or supports the general community. Muslims who abide by a strict reading of the Qur'an will be likely to follow the specific textual meaning, whereas inclusive Muslims are likely to follow the less literal meaning.

In the modern era, interpretation has become more important owing to the differences between today's social and political context and those of the period when the Qur'an was revealed. Reformist Muslims have played a significant role in modernising the practices of *zakat* and *waqf* to fit into modern times. One recent controversy concerns the opinion that *zakat* is the same as tax, and thus the suggestion that it should replace the tax system[50]—or that tax, like *zakat*, should be totally voluntary giving.[51]

Much of the legal debate regarding *waqf* concerns the problematic status of "movable objects." Historically, *waqf* was mainly limited to what jurists categorised as "immovable objects," such as land and buildings. "Movable objects," such as books and horses, were allowed, but with limitations. The Shafi'i School strictly states that *waqf* should be made of objects that will last, and cannot be transferred, sold, or changed. Therefore, "movable objects" are not favoured, though they are still permissible.

At least since the fifteenth century, money has been regarded as a permissible object of *waqf*. Cash *waqf* works on a principle similar to that of a bank—namely, that money is lent in order to get a larger return and this return is then utilised for charitable purposes. This practice was accepted

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[50] Fazlur Rahman, "Islamic Modernism: Its Scope, Methods, and Alternatives," *International Journal of Middle East Studies* 1 (Oct, 1970): 327-8.

[51] This idea has been promoted by Masdar F. Mas'udi, a leader from Nahdlatul Ulama which is regarded as a Traditionalist Muslim organisation. See his thesis which was published as *Agama Keadilan Risalah Zakat* (*Pajak*) *dalam Islam,* 3d. ed. (Jakarta: P3M, 1993).

and developed during the Ottoman Empire and supported by the Hanafi School.[52] It was initially legalised by order of the Sultan due to its observance in popular custom. This practice obtained legal conformity from the opinions of Abu Yusuf and Muhammad Shaibani, who were pupils of Imam Abu Hanifa.

Nonetheless, cash *waqf* receives little attention in *fiqh* on philanthropy and is not widely practised in comparison to conventional forms of *waqf*. Although, in principle, all schools of laws (including Shiite schools) allow movable objects as *waqf*, cash *waqf* has not gained popularity because of its apparent close association with the practice of usury (*riba*), which is strongly condemned.

In the few countries that follow the Shafi'i School, the establishment of cash *waqf* purchases of stocks and shares has been possible through the *talfiq* principle (ie, adopting the opinions of other schools of law). In Indonesia, where almost all Muslims observe the Shafi'i School, the practice of cash *waqf* was recently endorsed by the Ulama Council of Indonesia (Majlis Ulama Indonesia or MUI). Although cash *waqf* has been popularly discussed and a few philanthropic organisations in Indonesia claim to exercise it, this practice has not involved lending money, and is restricted to providing cash for the purchase of properties to be donated as *waqf*.

These examples point to the significant role played by jurists in accommodating social change in their interpretations of Islamic law. Elaborating on this trend, the following section will discuss how *zakat* has shifted from a religious obligation mandated by the state to a voluntary practice.

Transformations in Zakat *Management*

This section examines historical changes in the management and understanding of *zakat*, highlighting its transformation from being a matter of state to something that is personal. To this end, the section does not focus unduly on minor technical details of *zakat* implementation particular to certain regimes and localities, but emphasises general trends in interpretations and practices that reflect changing discourses of state power and civil society. In these respects, jurists have played a significant role in supporting the separation of the personal religious sanctity of *zakat* from the reach of the state. This accords with Khalid Masud's assertion that there

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[52] Murat Cizakca, *A History of Philanthropic Foundations: The Islamic World from the Seventh Century to the Present* (Bogazici University Press: Istanbul, 2000), p. 58.

has been a paradigmatic shift amongst Muslim jurists on *zakat*, from viewing it as a religious obligation collected by the state, to regarding it as an individual religious obligation.[53] It also accords with Engineer's argument that the *zakat* system was a charity that served as taxation during a short period of Islamic rule, and that this was based on practical rather than religious considerations.[54]

It is generally accepted that the Prophet instructed the payment of *zakat al-fitr* (*fitrah*) before *zakat al-mal* (*zakat*). There are different opinions as to the beginning dates of both types of payment, ranging from prior to the emigration (*hijra*) to the ninth year after the emigration (630 AD). Al-Tabari mentions that payment of *fitrah* started in the same period as the first Ramadan fast, namely in the second year after emigration.[55] Common opinion holds that both kinds of payments started in the second year (624 AD).[56] Ever since their origin, the payment of *fitrah*—"*zakat* on self"—has attracted less interest than "*zakat* on wealth." The Prophet condemned those who neglected the payment of *fitrah*, but did not make it mandatory. Its payment is strongly related to *'Id al-Fitr*, where food is provided for neighbours who are in need in order to celebrate the end of the month of fasting. This payment generally remained individual and private, which is different from the payment of *zakat*, whose obligatory nature developed as a result of the growing disposable wealth of the community.

The payment of *zakat* was regulated and managed directly by the Prophet—a role that was later commonly understood as grounds for the state to act in both the regulation and management of *zakat*. This interpretation is strongly held by reformist Muslims who seek an Islamic state, yet there are no verses in the Qur'an explicitly stating that *zakat* should be enforced by the state[57]—the Qur'an does not even talk about the concept of an Islamic state—and there is no explanation of the organisation of *zakat*. This perception is instead based purely on the political role undertaken by the Prophet in the small Muslim community of Medina. However, following the expansion of Islamic society, the growth and development of the state greatly transformed the nature of state management of *zakat*.

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53 Masud, "*Zakat* in Islamic Law."

54 Engineer, *The State in Islam*, pp. 64-86.

55 *The History of al-Tabari, vol. 7, The Foundation of the Community,* translated by M.V. McDonald and annotated by W. Montgomery Watt (Albany: State University of New York Press, 1987), p. 26.

56 A, Zysow, "Zakat," p. 409.

57 Verse 9:103, which asks the Prophet to take *zakat*, has generally been used as legitimation for the state.

The perception of the state's authority in *zakat* grew from two facts. First, the Prophet Muhammad asked his trusted companions to collect *zakat*, thus legitimising the state institution of *zakat* collection (*amil*). Second, he used *zakat* funds to finance several areas of state expenditure, including military campaigns. This mechanism shows that *zakat* functioned as a kind of religious tax that was a prerogative of the rulers.[58] However, it is important to note that after the Prophet's death the separation between religious authority and state authority grew, resulting in changes in the payment of *zakat*, as will be shown below.

The four Rightly-Guided Caliphs (r. 632-661) generally followed Muhammad's model, applying their own personal judgements and interpretations whenever there was no example or precedent to be found. The first caliph, Abu Bakr as-Siddiq (r. 632-634), is known to have waged war on apostasy (*riddah*)[59] against Muslim groups who refused to pay *zakat* under his leadership, and this war has in modern times been used as a legal justification by those who support the state's enforcement of *zakat* payment. This justification, however, is weak for three reasons. First, Abu Bakr's *ijtihad* was not supported by the other three Caliphs. His policy was abrogated by 'Umar, the second caliph, who released those who had been arrested for their refusal to pay *zakat* and returned to them some of their confiscated wealth. 'Umar's policy is generally supported by the majority of jurists. Secondly, among the numerous tribes and societies that fought, only a few were both largely orthodox followers of Islam and refusing to pay *zakat*. In fact the wars were in the main waged against the five tribes whose chieftains posed as "pseudo prophets," rather than purely as punishment for the non-practice of *zakat*. The wars thus served to strengthen the religious authority of Abu Bakr as the orthodox successor of the Prophet. Third, *zakat* at that time was seen as identifying the political loyalty of these tribes to the Muslim state. Neglecting this payment thus inferred a refusal to recognise the political leadership of the prophet's successor.[60]

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[58] See At-Tabari's accounts about *amil* (*zakat* administrator or manager) of *zakat* who was sent to collect *zakat* from Muslims and poll tax (*jizya*) from non-Muslims, and about the amounts and the way of collecting both payments. *The History of Al-Tabari The Last Years of the Prophet The Formation of the State A.D. 630-632/A.H. 8-11*., translated and annotated by Ismail K. Poonawala (New York: State University of New York Press, 1990), pp. 38-9, 74-5, 87.

[59] *The History of Al-Tabari*, vol. 10 *The Conquest of Arabia The Riddah Wars A.D. 632-633/A.H. 11*, translated and annotated by Fred M. Donner (Albany: State University of New York, 1993); M.A. Shaban, I*slamic History: A New Interpretation, vol 1, A.D. 600-750* (*A.H. 132*) (Cambridge: Cambridge University Press, 1971), pp. 19-28.

[60] These analyses can be seen in *The History of Al-Tabari*, ibid., and Shaban, *Islamic History,* vol 1, ibid.

The institutionalisation of z*akat* collection and management was established by 'Umar ibn al-Khattab (r. 634-44), and continued by 'Uthman bin 'Affan (r. 644-55), the second and third caliphs respectively. 'Umar was the first to set up a book on income and expenditure (*diwan*) inspired by the abundance of wealth brought in from newly conquered lands,[61] and he it was who invented a collection of customs duties for Muslims and non-Muslims for the use of roads, bridges and ports, set at 2.5 per cent (*zakat*) for Muslims, 5 per cent (*tax*) for non-Muslims under Muslim protection (*ahl al-zimmi*), and 10 per cent for those non-Muslims without any protection (*ahl al-harbi*).[62] In due course, however, the excessive number of collectors created a bad reputation for 'Umar. It is said that the fee that was taken from *zakat* money for collectors—a fee invented by 'Umar—inevitably and unfortunately let to corruption.[63]

From the time of the period of 'Uthman the state enforcement of *zakat* did not include all types of *zakat*. This was due to the *ijtihad* of 'Uthman, which was accepted by most jurists as differentiating property into "visible" (*amwal al-zahirah*) and "non-visible" (*amwal al-batinah*),[64] stimulated by the over-abundance of wealth largely appropriated as war booty.[65] 'Uthman ruled that the payment of non-visible property be left to each individual's conscience, while only visible properties had to be paid to the state.[66] This policy was intended, among other things, to limit the corrupt behaviour of *zakat* collectors who were already being criticised for their fraud.[67] Here *zakat* was first transformed to simultaneously serve two different functions: religious duty (charity) and state tax.

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[61] Shaban, ibid., pp. 55-7.

[62] Abu Yusuf Ya'qub bin Ibrahim in his book *Kitab al-Kharaj* named this collection under the title of *'ushr* (10 per cent), (Bairut: Dar Al-Ma'rifah, 1399/1979), pp. 132-5. A good introduction and translation of specific taxation discussion of the book is provided by A. Ben Shemesh, *Taxation in Islam, Vol. III, Abu Yusuf's Kitab al-Kharaj* (Leiden: E.J. Brill, 1969). M.A. Shaban, *Islamic History: A New Interpretation, vol. 2, A.D. 750-1055* (*A.H. 132-448*) (Cambridge: Cambridge University Press, 1976), 17. Cf. Zysow, "Zakat," p. 409.

[63] Zysow, ibid. Abu Yusuf mentions several complaints—for example, for double customs duties. See *Kitab al-Kharaj*, ibid.

[64] Visible (unhidden) property consists of cattle, fruit and plants; non-visible (hidden) property consists of gold, silver, and trade goods.

[65] Shaban, *Islamic History 1,* pp. 66-9.

[66] A few jurists rejected this *ijtihad* as being against state enforcement in the collection of "visible" property, saying that even the Prophet had never enforced the payment of *zakat*. Shaban concludes from various sources that the enforcement of 2.5 per cent income tax (*zakat*) had been discontinued since 'Uthman period. *Islamic History* 2, p.17.

[67] Zysow, "Zakat," p. 409. Criticism of corrupt behaviour by *zakat* and tax collectors is strongly voiced by Abu Yusuf in his *Kitab al-Kharaj*. The book is an assessment of the taxation system.

This dual function was supported by the political situation, especially given the controversy regarding the caliphate,[68] showing the growing separation between religious and political authority. The function of *zakat* as tax depended heavily on the political legitimacy of rulers or the state. If the position of the ruler or the state could not be politically justified, the question then was whether this unjustified ruler had the right to obtain or collect *zakat*. Here began the paradigm shift, from a totally religious tax under the state to an individual religious obligation. *Kitab al-Amwal* (The Book of Wealth) written by Abu 'Ubayd al-Qasim in the ninth century shows that the views and practices of giving *zakat* to an entity other than the ruler started after the death of the third caliph.[69]

This shift can be seen clearly in *fiqh* books where classical jurists generally agree that giving to the ruler is permissible, on the condition that the ruler is just (*'adil*). The leadership of the Islamic Law School, which was established during the Umayyad and Abbasid periods, had differing opinions in regard to this. These opinions have been recorded in books of *fiqh*, including modern ones such as *al-Fiqh al-Islamy* and *al-Fiqh Al-Sunnah*. The first book reflects that Malikis allow the distribution of *zakat* of non-visible property, either by Muslims themselves or through their ruler; but they advise payment of *zakat* on visible property to the ruler on the condition that he is just. Hanafi jurists oblige Muslims to pay *zakat* on visible property only to the ruler. The position of the Shafi'i school is to allow Muslims to distribute visible or non-visible *zakat* themselves, while Hanbalis advise Muslims to distribute their *zakat*—whether visible or non-visible—themselves, while also allowing it to be paid to the ruler.[70] *Al-Fiqh Al-Sunnah* contributes a specific section that discusses "paying *zakat* to the leader regardless of his being just or unjust."[71] *Al-Fiqh al-Islami* contributes a discussion on paying *zakat* to the ruler and giving *zakat* directly.[72]

The issue of the state's role in the collection and distribution of *zakat* arose at a time of political turbulence and distrust toward the ruler, especially if the ruler was regarded as unjust. The founders of all the schools of law were independent scholars who tried to keep a distance from rulers.[73]

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[68] The internal political situation led to the assassination of three of the first four caliphs.

[69] Abu 'Ubayd al-Qasim ibn Sallam, *Kitab al-Amwal*, verified by Muhammad Khalil Harras, 3d. ed. (Cairo: Dar Al-Fikr and Maktabah al-kulliyyat Al-Azhariyya, 1981), p. 504.

[70] *Al-Fiqh al-Islami*, pp. 1973-4.

[71] *Fiqh al-Sunnah,* pp. 76-8.

[72] See *al-Fiqh al-Islami*, p. 1972.

[73] All of the *madhhab* founders tried to be independent from the state, with the exception of Shafi'i, who gave his services to several rulers including Harun Al-Rashid. All of them

The strongest opinion came from Imam Ahmad ibn Hanbal who had had bitter experiences with the ruling powers. These differing opinions are based on the separate paradigms of whether *zakat* is a personal obligation to God or a religious obligation operated by the ruler.[74]

While the collection of *zakat* by the state increased significantly during the Ummayad and Abbasid dynasties, private distribution of *zakat* also existed, and Muslim jurists advised both voluntary payment of *zakat* and private distribution of *zakat*. Imam Malik supported the state collection of *zakat,* but rejected state coercion. According to Malik, the payment should be left to people to decide what they wanted to pay. Imam Shafi'i supported Malik's opinion and added that people could pay all or part of their *zakat* to the state. These opinions were based mainly on doubts about the legitimacy of the ruler and distrust of the poor management of *zakat*, which will be elaborated below.

The period of the first four caliphs saw internal political competition, but this was only the beginning of the expansion of the Muslim state into strong dynasties—an expansion which accordingly brought more complexities to the legitimacy of the rulers. Like any of the histories of the Middle Ages, Islamic histories experienced authoritarian dynastic rulers, wars, occupations, assassinations, and the rise and fall of kingdoms.[75]

The corrupt and inefficient management of *zakat* is evident, though rarely mentioned. For example, the Abbasid caliph Al-Mansur (r. 754-775) was known not to differentiate between his personal income and that of the state in the funds in the state treasury (*bayt al-mal*),[76] where *zakat* was supposed to be managed. Al-Tabari mentions that even during Harun Al-Rashid's reign (786-809 M), which was considered the golden age of the Abbasid Caliphate, the system of *zakat* collection was inefficient and corrupt. The Abbasid ruler (after the time of civil wars) gave little attention to

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except Shafi'i did at some point receive severe punishments from a ruling sultan. Abu Hanifa was tortured and died in prison for refusing to be the state's chief judge during the time of Al-Mansur. His student became the chief judge instead. Imam Malik was sentenced to a lashing by Caliph Abu Ja'far al-Mansur for reading a *hadith* in such a way that it advised the invalidity of a divorce taken under coercion, which had political implications for the authority of the caliph who had established his power by coercion. Imam Hanbali was punished and imprisoned by many sultans, especially by Al-Ma'mun and Al-Mu'tasim for not backing the "inquisition court" (*mihna*).

74 Masud, "*Zakat* in Islamic Law."

75 See for example Ibn Khaldun, *The Muqadimah*: An *Introduction to History,* translated by Franz Rosenthal, abridged and edited by N.J. Dawood, 9th paperback ed. (Princeton: Princeton University Press, 1989); The History of Al-Tabari, vols. 10-15; and Shaban, *Islamic History*, vol. 1 and 2.

76 M.A. Shaban, *Islamic History* 2, p. 17.

public services such as irrigation, and public hospitals did not get enough finance in comparison with the individual luxury of the caliphs.[77] Ibn Khaldun (d. 1406) wrote a strong criticism against the increase in state luxury and the injustice of taxation during the Abbasid period.[78] *Kitab al-Amwal* of Abu 'Ubayd al-Qasim mentions that some jurists strongly criticised the integrity of the official *zakat* system in the early Umayyad period but they kept suggesting that Muslims should pay *zakat* to the ruler.[79]

Problems of *zakat* collection existed mainly because the administration of *zakat* was included in general state financial administration and taxation, together with other state incomes. This can be seen in the books on taxation written, from the eighth to eleventh centuries, by state officials or by jurists at the command of rulers. Indeed, there is not one book entitled *Kitab al-Amwal* or *Kitab Al-Kharaj*. These books mostly show that the state *zakat* system was actually weak or did not function at all.[80] The first recorded book of taxation is *Kitab al-Kharaj* (Book of Revenues) prepared by Abu 'Ubayd Allah (d. 786), minister (*wazir*) for Caliph al-Mahdi.[81] Abu Yusuf Ya'qub. Ibrahim Al-Anshari (d. 798), chief judge of Baghdad, wrote *Kitab al-Kharaj* as requested by the Abbasid Caliph Harun Al-Rashid.[82]

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[77] M.A. Shaban, *Islamic History* 2, p. 89. However, in the case of the Ottoman Empire, Miri Shefer shows that in its early period its rulers gave enough attention to the establishment of hospitals. Miri Shefer, "Charity and Hospitality: Hospitals in the Ottoman Empire in the Early Modern Period," in *Poverty and Charity in Middle Eastern Contexts*, ed. Michael Bonner, Mine Ener, and Amy Singer (USA: State University of New York, 2003), pp. 121-144.

[78] Ibn Khaldun, *The Muqaddimah.* Narratives on unjust taxes can be found in M.A. Shaban, *Islamic History* 2, pp. 16-17, 32-33. These injustices, among others, led to civil war.

[79] Abu 'Ubayd al-Qasim, *Kitab al-Amwal*.

[80] Most of these books provide actual practices of taxation (and *zakat*). However, there are taxation books that provide theoretical discussions but do not refer to the actual practice. For example, there is the *Al-Ahkam Al-Sultaniyya* (Book of Government Precepts), written by the Shafi'i judge, Al-Mawardi (d. 1058) who was chief judge of Baghdad. Abu Hasan 'Ali b. Muhammad Al-Mawardi, *The Ordinances of Government*: *A Translation of Al-Ahkam al-Sultaniyya wa Wilayat al-Diniyya*, translated by Wafaa H. Wahba (UK: Center for Muslim Contribution to Civilization / Garnet, 1996). Al-Mawardi's explanation is theoretical and deals with the ideal system of taxation in the Islamic realm. So is his theory of the caliphate, which was never being practised by the Shiite Buyid, the dynasty that ruled over the Abbasid at that time—not even by Umayyad and Abbasid. Most of the writing on taxation which was produced after the eleventh century has become the subject of religious study, not actual practice.

[81] *Qudama b. Ja'far's Kitab al-Kharaj*, translated and provided with an introduction and notes by A. Ben Shemesh, in the series *Taxation in Islam II* (Leiden: E.J. Brill, 1965), p. 13. It will be referred as *Qudama b. Ja'far's Kitab al-Kharaj*.

[82] He was an eminent pupil of Abu Hanifa, of the School of Hanafi. Abu Yusuf, *Kitab al-Kharaj*.

This book is the most popular *Kitab al-Kharaj* of those that scholars referred to. In the ninth century, Abu 'Ubayd al-Qasim ibn Sallam (d. 838), a jurist who served for Abbasid rulers, wrote *Kitab al-Amwal* (Book of Wealth).[83] In the tenth century, Qudama b Ja'far Al-Katib (d. 932), the government secretary, wrote *Kitab al-Kharaj wa Sana'at al-Kitabah* (Book of Revenues and the Profession of Secretaryship).[84]

In all of the books, *zakat* has been treated the same as taxes, using the term *'ushr* (tenth) for lands, *sedekah* for livestock, *khums* (a fifth) for minerals and treasures, and customs duties for commercial goods. *Zakat* did not become the state's main income. During the Umayyad and Abbasid dynasties the revenues for the Islamic state were *fay'* (return or tax from non-believers including *jizya* and *kharaj*), *khums* (one fifth of booty), and *zakat*.[85] In the tenth century they were *fay'*, *kharaj* (land tax), and finally *zakat* and '*ushr* (tenth).[86] In these periods, *zakat* did not contribute large revenues compared to others. All of these books state that *zakat* was due only on "visible property." They also mention two permissible ways of paying *zakat*: giving to *zakat* administrators of the state or dispensing it oneself. In an eloquent way, *Kitab al-Amwal* promotes the payment of taxes (including *zakat*) to the ruler without denying the permissibility of individual distribution of *zakat*.[87]

While the regulations mentioned in these books have not always been implemented,[88] the books provide information that *zakat* collection and distribution by the state was regarded as corrupted, inefficient, and indeed hardly ever practiced. Abu Yusuf's *Kitab al-Kharaj* not only provides details on how the tax (and *zakat*) was corrupt, but also criticises and advises Caliph Harun Al-Rashid on how to reform the tax and *zakat* administration in order to protect the people. He asked the caliph to stop the practice of certain taxes which were a burden for the people, to replace corrupt tax/*zakat*-collectors and administrators, and to try to minimise corruption by paying them adequate salaries.[89]

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[83] Abu 'Ubayd al-Qasim, *Kitab al-Amwal*.

[84] *Qudama b. Ja'far's Kitab al-Kharaj*, p. 8.

[85] Most books on taxation, such as Abu 'Ubayd's *Kitab al-Amwal*, discuss *zakat* (the term used is *sadaqa*) in terms of its not being the most important revenue for the state.

[86] Qudama b. Ja'far, *Kitab al-Kharaj*, pp. 23-4.

[87] See sub chapter entitled "giving *zakat* to the rulers and difference of opinion of '*ulama* on that matter." *Kitab al-Amwal*, pp. 504-11.

[88] *Qudama b. Ja'far's Kitab al-Kharaj*, p. 11.

[89] On tax farming and the appointmenting of taxation officials he wrote: "My advice is that you [Caliph Harun Al-Rashid] should not allow tax-farming in al-Sawad or in any other part of the realm, for the reason that tax-farmers act wrongfully for the sake of their gain.

During the Fatimid dynasty (910-1171), various accounts reported that official *zakat* collectors did not exist. Zysow shows that Muslim jurists in this period increasingly disregarded the official state's collection of *zakat* in their legal accounts and reported that in various regions state-*zakat* collection was limited only to the activity of '*ushr* on roads and ports.[90] The Fatimid Kadi, Al-Nu'man (d. 974) in his *Da'aim Al-Islam*, as quoted by Zysow,[91] relates that only a limited number of Sunni Muslims paid *zakat*, and that, following the advice of the majority of Sunni jurists, they did not pay it to the state. Abu Hamid al-Ghazali (1058-1111) relates that *zakat* collectors "have disappeared in most lands,"[92] which meant that the collection of *zakat* by the state was rare.

Muslim jurists around the twelfth century were divided between giving loyalty to, and being critical of the ruler, as exemplified by Sarakhsi (d. 1090) and Ibn Rushd (d. 1126). Sarakhsi and Ibn Rushd served their ruler: Sarakhsi was a vizier for the Abbasids in Khurasan during Al-Ma'mun, and Ibn Rushd was a Maliki jurist who served as chief *qadi* and imam of the Great mosque in Cordoba. Sarakhsi was of the opinion that *zakat* payment is an individual obligation to God. Even though rulers during his period collected *zakat* and other taxes unjustly, he still advised that *zakat* payment should be given to rulers, except if they could not provide security. Ibn Rushd's *Bidayat al-Mujtahid* does not contribute any specific discussion regarding the collection of *zakat* by the state.[93] Another example—one which is mentioned by Masud—is a jurist of Balkhan who advised people

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They rob the taxpayers by imposing on them what they do not owe, and punish them in repulsive ways to secure their profit. Because of his greed for more profit he will apply more pressure against the citizens by giving them hard beatings, making them stand in the sun, hanging heavy stones on their necks and inflicting other severe punishments, worse than those prescribed for causing corruption and wastage to the land, which God has forbidden. … Nothing lasts with corruption and nothing diminishes with righteousness…The imposition on the taxpayers of what is not due from them is blatant oppression, which should not be permitted… I propose that you select persons of good character, pious and trustworthy, and appoint them as tax-administrators… I have seen that some appointments in the department of taxation were made by certain authorities without due diligence…I therefore advise you to issue your orders accordingly, so that if someone does not act as ordered, he—and not you—will be punished by God, who will give you credit for your good intention. *Qudama b. Ja'far's Kitab al-Kharaj,* pp. 74-6.

90 Zysow, "Zakat," p. 410.

91 Ibid.

92 Imam Abu Hamid al-Ghazali, *Ihya Ulum al-Din* (Beirut: Dar al-Fikr, n.d), p. 213. Its book on *zakat* has been translated into English, under the tile *The Mysteries of Almsgiving*, translated by Nabih Amin Faris (Beirut: American University, 1966).

93 Abi al-Walid Muhammad Ibn Ahmad Ibn Muhammad Ibn Ahmad Ibn Rushd Al-Qurtubi al-Andalusi [better known as Ibn Rushd or Averroes], *Bidayat al-Mujtahid wa*

to pay *zakat* twice: once to the ruler (as an obligation to the state) and once to the poor (as an individual obligation to God).[94]

In relation to the waning of state *zakat* payment, Ibn Khaldun (1332-1406) observes the excessive amount of non-religious tax imposed by the Muslim state on either Muslim or non-Muslim citizens. These were new kinds of taxes on lands and trade (customs duties) which were different from *zakat*, *kharaj* and *jizya* but were collected by the same office.[95] These non-religious taxes were probably imposed also on Muslims, since the tax provided a more profitable revenue to the state. During the political decline of Islamic rulers in the twelfth to fifteenth centuries—with the exception of the Ottoman Empires—when some Islamic dynasties and kingdoms were experiencing internal conflicts, the state collection of *zakat* was also in decline. The general advice of jurists then shifted to the private distribution of *zakat*, although they rhetorically maintained that giving to the state was still regarded as better if the state was just.

The waning of *zakat* payment to the state suggests that the payment of *zakat* became a voluntary practice by Muslims. In the absence of official *zakat* collectors, Muslims gave their *zakat* to Muslim local leaders such as *'ulama*, Shiite Imams, and Sufi orders, who functioned as both distributors and beneficiaries of *zakat*.[96] This was the case in Indonesia, as will be shown in this book. In the eighteenth and nineteenth centuries some jurists recommended the private collection and distribution of *zakat*, whether individually or in groups, because of the fact that most Muslim societies were under non-Muslim rule, and jurists therefore established institutions and organisations to bypass the state, which they did not trust. Furthermore, some Muslim jurists and scholars advised that it was not permissible to pay *zakat* to unjust rulers or to Muslim rulers who were under the authority of unbelievers. Rashid Rida, a Muslim reformist, is known for advising this.[97] Taxation has also become an important issue in relation to *zakat*.

Nihayat al-Muqtasid, verified by Ali Muhammad Mu'awwad, 'Adil Ahmad Abd al-Mawjud, vol. 2 (Bairut: Darul Kutub al-Ilmiyyah, 1416/1996).

94 Masud, "*Zakat* in Islamic Law."

95 Ibn Khaldun, *The Muqaddimah*, pp. 230-1. The problem of taxation according to Ibn Khaldun started when simple Bedouin dynasties became transformed into luxurious royal authorities, and taxes went beyond equity. Ibid.

96 Zysow, "Zakat," p. 417.

97 Muhammad Rashid Rida, *Tafsīr al-Qurān al-Hakim* (Bayrut: Dar al-Ma'rifah, 1973), vol 2, p. 574; vol 7, p. 578. Many contemporary *fiqh* books, including *Fiqh al-Sunnah* and *Fiqh al-Zakat*, refer to his opinion.

Most Muslim scholars, including Rida, advise that Muslims should pay *zakat* in addition to tax.[98]

After independence, majority Muslim states kept *zakat* as a private practice by Muslims without state management. This will be seen in the case of Indonesia. Today only six Muslim countries—Saudi Arabia, Libya, Yemen, Malaysia, Pakistan, and Sudan— enforce some form of *zakat* by law.[99] These countries also regulate penalties for non-compliance of *zakat*, but the implementation is lax.

While the discourse of *zakat* is characterised by the issue of state involvement, that of *waqf* is not. However, the section below will show that although *waqf* is a totally non-state institution, in a lot of cases there is a blurred demarcation between the privileges of the state and those of civil society.

The Independence of Waqf *as an Institution*

This section looks at the practice of *waqf* in Egypt—an area that can exemplify *waqf* in the Islamic world. It tries to show the challenge of maintaining the independence of *waqf* from the state. The focus is upon the function of *waqf* in supporting civil society and the public good; for this reason the role of Muslim jurists should be understood as inherent in the direction of *waqf* development.

The section takes the example of Al-Azhar University in Cairo not only because of data availability but also because Egypt has an important number of Shafi'i Muslims, as is also the case in Indonesia. Al-Azhar has survived for more than ten centuries and its educational role remains important in the Islamic world, and many Indonesian students have also received benefit from it. Al-Azhar has become a model for Islamic education as well as for the institution of *waqf* in Indonesia. Although the case of Al-Azhar provides a picture of a strong state which eventually confiscated a *waqf* foundation, it is still beneficial to observe how the state and scholars of Al-Azhar compete to maintain *waqf*.

As mentioned previously, the development of *waqf* advanced despite the fact of its legal status not being compulsory. In fact its legal status was never compulsory, but only voluntary, from the very beginning of its tradition. Below is the central *hadith* reference to the legal basis of *waqf*.

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98 Qardawi also refers to Rida's opinion. *Fiqh Al-Zakat*, vol 2, p. 1115.

99 Zysow, "*Zakat*," p. 419; Samiul Hasan, *Philanthropy and Social Justice in Islam: Principles, Prospects and Practices* (Kuala Lumpur: AS Noorden, 2007).

> Umar acquired land at Khaibar. He came to Allah's Apostle (may peace be upon him) and sought his advice in regard to it. He said: Allah's Messenger, I have acquired land in Khaibar. I have never acquired property more valuable for me than this, so what do you command me to do with it? Thereupon he (Allah's Apostle) said: If you like, you may keep the corpus unalienable and give its produce as *sedekah*. So 'Umar gave it as *sedekah* declaring that property must not be sold or inherited or given away as gift. And Umar devoted it to the poor, to the nearest kin, and to the emancipation of slaves, aired in the way of Allah and guests. There is no sin for one who administers it if he eats something from it in a reasonable manner, or if he feeds his friends and does not hoard up goods (for himself)...[100]

With the growth of wealth in Muslim communities, the institution of *waqf* developed well, and a great development in this seems to have taken place during the Abbasid period. The *Kitab Ahkam al-Awqaf* by Al-Shaibany (d. 874), a chief *qadi* of Baghdad under the Abbasid caliphate, does not go into great discussion about various kinds of *waqf* property except for lands, gardens, buildings (including houses and public baths) and mosques.[101] Commercial *waqf* properties that supported public services probably began from the tenth century, when the Fatimid monarchy was in power.

The development of *waqf* institutions in Egypt was extensive also from the time of the Fatimid rule and continued to the rule of the Mamluk dynasty. Doris Behrens-Abouseif, for example, shows that during Mamluk rule (1250-1517) the practice of *waqf* in Egypt developed economically and almost all estates and buildings were *waqf*. The majority of public services and buildings were *waqf khairi* (public endowment) and private buildings were *waqf ahli* (family endowment). *Waqf ahli*, which aimed to give benefits to family members, also gave public benefits. As there were many commercial *waqf* properties, supervisors (*nazir*) of *waqf* were regarded as potential buyers in the economic market.[102]

Furthermore, Behrens-Abouseif shows that objects of *waqf* during that period could be differentiated into commercial and industrial objects and public facilities. Commercial and industrial objects consisted of shops, markets (including cattle markets), estates, housing estates, buildings, husbandry, and farms with their slaves and animals. Public facility *waqf* consisted of mosques, schools, books, fountains, public kitchens, public baths,

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[100] *Sahih Muslim, hadith* no 4006. There are many slight variations on this *hadith*.

[101] Abi Bakr Ahmad ibn 'Amr al-Shaybany, *Kitab Ahkam Al-Awqaf* (Cairo: Maktabah Al-tsaqafa al-Diniyya: 1996). It also explains the development of *waqf* from the time of the Prophet to the Abbasid period.

[102] Doris Behrens-Abouseif, *Egypt's Adjustment to Ottoman Rule Institutions, Waqf and Architecture in Cairo (16th and 17th Centuries)* (Leiden: EJ Brill, 1994), pp. 145-6.

cemeteries (and funeral appliances), bridges, houses, buildings, water supplies, and roads.[103] Basically, revenues from commercial *waqf* were used to support public facilities such as mosques, schools and other public services. In the case of educational institutions, the revenue financed operational expenditures, teaching facilities, salaries for teachers and scholars, and financial support for students.

These *waqf* revenues did not only support and give benefits to surrounding communities but also to other institutions far from Egypt, such as the Holy cities (Haramayn), Mecca and Medina. They financially supported various services to these Holy cities, namely providing the cloth of the Ka'bah (*kiswa*), taking care of corpses (preparing them for funeral and burial), and providing ships for assisting the sea transport of wheat to the Holy cities.[104]

Behrens-Abouseif shows from the existing *waqf* documents that during the sixteenth and seventeenth centuries (under Ottoman rule), *waqf* was involved in the everyday life of the people.[105] Many endowers established *waqf* building complexes that consisted of commercial and public sections, and revenues from the commercial section were intended for supporting the public section.[106] An example is the *waqf* of Sulayman Pasha al-Khadim (r. 1524-1534). This Pasha endowed mosques, Sufi centres with annexed living quarters (*zawiya*), *madrasah*, schools for orphans, and also shops, bakeries, dwellings, weaving workshops, stables, storerooms, dyeing workshops, houses, *wakala*s, a sugar press, and apartments. Revenues from these residential and commercial structures were used to support the religious and scholarly endowments, including salaries for staff and employees and teachers, support for students, and expenditures for repair.[107]

A document relating to one of the religious centres that Sulayman Pasha established mentions in detail the intended beneficiaries and how much financial support they received. For example, the *waqf* document mentions: a Turkish scholar to teach in the mosque (*tafsir, fiqh, usul, hadith*, and Arabic), a Hanafi *imam* (leader of congregational prayer) a Hanafi *khatib* (who delivers the sermon), each of whom received 75 *nisfs*[108] per month;

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[103] Ibid., p. 90.
[104] Ibid.
[105] Ibid., pp. 178-217.
[106] Ibid.
[107] Ibid., pp. 186-91.
[108] *Nisf* or *nisf fidde* was a colloquial term for a standard silver coin used in the Mamluk and Ottoman periods in Egypt. See Stanford J. Shaw, *The Financial and Administrative Organization and Development of Ottoman Egypt 1517-1798* (Princeton: Princeton University

an assistant to the *khatib* (15 *nisfs*); four *muadzins* (who call for prayers), (total 180 *nisfs*), one timekeeper (45 *nisfs*) and two Qur'an readers before Friday prayers (60 *nisfs*); 30 students and their Shaykh (682.5 *nisfs*); a *madih* to recite and chant praises of the Prophet (22.5 *nisfs*); a daily Qur'an reader and prayer reader (22.5 *nisfs*); a reader of the *Sahih of Bukhari* (15 *nisfs*); a teacher for ten orphans (45 *nisfs*); and an assistant to the teacher (15 *nisfs*).[109]

From the revenue of his commercial *waqf*, the Pasha also annually endowed 2,500 *nisfs* for the freeing of prisoners, 55 gold *dinars* to 55 staff members at the Prophet's Mosque at Madina, 2,800 *nisfs* to seven Qur'anic readers at Mecca and seven readers at Medina, and finally he supplied oil and water for the Haramayn.[110]

Many other kinds of *waqf* are mentioned in documents of the Ottoman period in Egypt, some of which are quite similar to *waqf* in the Mamluk period. They were shrines, minarets, cemeteries, caravanserais, gardens, kiosks, a sugar refinery, mills, palaces, agricultural lands, forts, restoration funds for canals and mosques, facilities and expenses for pilgrims and the annual celebration of the Prophet's birth (*mawlid*).[111]

The above picture of *waqf* in Egypt shows the breadth of application of *waqf* and its deep roots in the history of Muslim communities. It is therefore no exaggeration to say, as Marshal Hogdson has stated, that the institution of *waqf* became a great instrument of support for Islamic communities.[112] It seems that the dominance of the *waqf* institution is due to its multifunctionality. Apart from its religious, charitable, and social purposes, it has been used—both by ordinary Muslims and ruling powers—to dodge inheritance rules, for tax avoidance, and Islamisation, and even—by the ruling power—as a political tool. Salahuddin Al-Ayyubi, for example, used *waqf* to gain political and military control over Egypt in 1169-1173.[113] Scholars have also seen that the Ottoman colonisation of Egypt (1517-1798) used the institution of *waqf* to win the hearts of the people.

Press, 1962), p. 65. Comparing salaries and expenditures the value of *dinar* to the *nisf fidde* coin in this period might be 1:10 to 1: 22.5, from which one *dinar* was worth approximately USD 100. Comparison of one gold coin to one silver coin might fall between 1:60 and 1:200 according to different times and periods.

109 Behrens-Abouseif, *Egypt's Adjustment*, pp. 186-7.

110 Ibid. Haramayn is Mecca and Medina.

111 Ibid.

112 Marshal G.S. Hodgson, *The Venture of Islam* vol. 2 (Chicago and London, 1974), p. 124.

113 Yehoshu'a Frenkel, "Political and Social Aspects of Islamic Religious Endowments (awqaf): Saladin in Cairo (1169-73) and Jerusalem (1187-93)," *Bulletin of the School of Oriental and African Studies, University of London*, Vol. 62, No. 1. (1999), pp. 1-20.

When the Ottoman army entered Cairo, it seized almost all Egyptian wealth except *waqf* and mosques. It then added more endowments to the existing *waqf* of the previous ruler of Egypt, Mamluk, and established its own new endowments all over the country.

One may question the independence of *waqf* as an institution, especially because some *waqf* properties were established by ruling powers, but social and religious *waqf* institutions generally remained independent although they were originally established by ruling powers. Endowers had the power to choose and support their preferred religious authority in their *waqf* institution. For example, Sulayman Pasha, the Ottoman ruler in Egypt mentioned previously,[114] chose Hanafite scholars to work in his *waqf* schools and mosques, presumably to familiarise the Egyptians with the religious ideology of the Ottoman Empire. It could also be seen to support his political authority since there was a tradition of mentioning (or rather praising) the ruling power in the Friday services at mosques.

One may think that this ideological and political competition would easily be won by the ruling power since they might have more *waqf* properties. However, we should not over-estimate the number of *waqf* established by ruling power. A quantitative survey of *waqf* during the fifteenth and sixteenth century Ottoman period reveals that rulers' *waqf* constituted only 1-2 per cent of total *waqf*. The majority of *waqf* was given by non-royal people—43 per cent was from ordinary lay people, and 57 per cent was from the elite.[115]

The following paragraphs will elaborate on the *waqf* of Al-Azhar University in Cairo, which gained social and political power over centuries, but was on the wane after it was confiscated by the state in the twentieth century.

Jami' Al-Azhar is a mosque which was built in 970-972 by Jauhar al-Siqili (The Sicilian), the army commander of the fourth Fatimid caliph al-Muiz Lidinillah.[116] The mosque Al-Azhar had become the central mosque of the Fatimid dynasty from 973, when caliph Muiz came to Egypt, to the fall of the Fatimid dynasty in 1171. When it was first built, Al-Azhar was used only for praying purposes. In due course, it also acquired other functions and became a popular shrine, a "hostel" for sojourners and stu-

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[114] See p. 29 above.

[115] Haim Gerber, "The Waqf Institution in Early Ottoman Edirne," *Asia and African Studies*, 1983, Vol 17, pp. 29-45.

[116] Taqiyuddin Abi al-Abbas Ahmad Ibn Ali Al-Maqrizy, *Al-Mawa'iz Wa al-I'tibar bi zikr Al-Khitat wa Al-Atsar,* vol. 2 (Cairo: Maktabah Al-Tsaqafah Al-Diniyyah, n.d.), 273. This book is known as *Al-Khitat Al-Maqriziyya*. See also *Al-Azhar University* (*A.H. 361-1370*) *Its History and Work* (Cairo: Al-Azhar University Press, 1950), p. 1.

dents, a Sufi corner, a shelter for social and political refugees, a centre for rallies and social movements, and a learning institution.

Its role as an institute for higher education first began in 975 under the newly appointed caliph Al-Aziz, son and successor of Muiz. The chief judge taught a class on Shiite jurisprudence as a promotion of Fatimid learning which was centred in Al-Azhar. Caliph Al-Aziz provided each scholar who attended the class with a monthly stipend and living quarters next to the mosque, and provided other generous gifts during *'Id al-Fitr*.[117] In 988 it opened various advanced studies which led to Al-Azhar becoming a mosque college for centuries, and, later, becoming a modern university. Indeed Al-Azhar grew as a centre of Islamic studies throughout Fatimid, Ayyubi, Mamluk, and Ottoman dynasties, and even up to modern times it has benefited from *waqf* revenues and countless gifts.

Waqf has been a very important element in the development of Al-Azhar, especially before modern times. Throughout nine centuries Al-Azhar was funded by *waqf*, private donations and donations from rulers,[118] which made it independent from the ruling power. In 1892, when all of *waqf* was taken over by the government, it also came to depend on the budget of the government.[119]

Indeed, *waqf* successfully transformed Al-Azhar into an independent institution, even though it continued to receive financial support from the rulers. *Waqf* was the main income to support its expenditures—namely for mosques, free accommodation and food for lecturers and students. Al-Azhar obtained large *waqf* estates from which it became rich and so could afford to provide generous scholarships for local and international students, as well as support schools which were under its supervision. The first record of *waqf* supporting Al-Azhar dates back to 1009. It was given by caliph Al-Hakim, the successor to, and also the son of, Al-Aziz. The caliph gave buildings and shops as *waqf* to Al-Azhar and other institutions along with other donations. The historian Al-Maqrizi elaborated in detail the expenditures of Al-Azhar which were worth almost a thousand *dinars* a year, received from the revenues of *waqf* that covered those expenditures.[120] From that time onwards, Al-Azhar became financially independent.

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[117] Al-Maqrizy, *Khitat*, ibid.

[118] Al-Maqrizy, *Khitat*, p. 118.

[119] *Al-Azhar University*, p. 45.

[120] Al-Maqrizy gives details of the annual expenditure of Al-Azhar which were taken from the revenues of *waqf*. Ibid., Vol. 2, p. 274. See also Bayard Dodge, *Al-Azhar, A Millennium of Muslim Learning* (Washington DC: The Middle East Institute, 1961), pp. 21-22. Among

Dynastic change in Egypt brought more donations and *waqf* to Al-Azhar, especially during the Mamluk and Ottoman periods. Al-Azhar was also regularly restored and embellished by the ruling powers. Al-Azhar's various sojourners (*mujawirun*) including scholars, the poor, merchants and soldiers, encouraged donors to give *waqf*.[121] In addition to this, the character of Al-Azhar, which encompassed all *madhhab* and Sufi traditions, did not only attract scholars and students from various Muslim lands, but also attracted donors who gave endowments. There were many different kinds of *waqf* which were aimed at specific learning, such as *waqf* to provide Sunni teachers (1266). According to the historian Ibn Iyas, there were many donations and *waqf* given to the poor of Al-Azhar,[122] such as for feeding and teaching the poor (1325), and for teaching the Qur'an to orphans.

The political role of Al-Azhar dates from the early years of Ottoman rule. It gained power in the seventeenth, and became very powerful in the eighteenth century.[123] The Shaykh of Al-Azhar had become an important factor in the political changes in Egypt in the eighteenth century, when Al-Azhar became the centre of popular protest movements against the French occupation, and in the early nineteenth century against the Ottomans.[124]

The French occupation (1798-1801) and the rule of Muhammad Ali brought the *waqf* of Al-Azhar—and other *waqf* in Egypt—under threat because all *waqf* were under strict supervision of the state and all agricultural lands including *waqf* lands were taxed.[125] This was a difficult period for Al-Azhar. In 1858 Al-Azhar finances improved because of several generous endowments (one worth 7,000 pounds) which were given by princess Zaynab, the daughter of Muhammad Ali. However, Al-Azhar still could not cover the expenditure of the university. During this time Al-Azhar became semi-dependent on the ruler. After the British invasion, *waqf* came increas-

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the yearly expenditures were 84 *dinar* for a preacher (*khatib*), 181 *dinar* (not '108 as mentioned by Dodge) for matting, three *dinar* for ceramic jars and wages for bearing water, and 12 *dinar* (not 11 *dinar* mentioned by Dodge) for lavatory care.

121 Behrens-Abouseif, *Egypt's Adjustment*, p. 90.

122 Ibn Iyas as quoted from J. Jomier, "al- Azhar (al-Jami al-Azhar)." *Encyclopaedia of Islam*.

123 Behrens-Abouseif, *Egypt's Adjustment*, p. 93.

124 The 1798 revolt against the French occupation was centred in Al-Azhar and led by the Shaykh of the riwaq of the blind. In 1800 a popular revolt against the French was led by Shaykh al-Sadat Umar Makram, the head of Sufi orders. In 1805 the same Shaykh backed the popular protest against the newly appointed Ottoman governor. Rifaat Abdul-Reda Dika, "Islamic tradition in Modern Politics: the Case of Al-Azhar in Egypt—a historical study of culture and social structure" (Ph.D. dissertation, Wayne State University, 1990), pp. 51-5.

125 *Waqf* lands in Egypt in 1812 remained 10 per cent of total agricultural lands. Ibid., p. 69.

ingly under state supervision, which meant that *waqf* revenues could only be collected with state permission. In 1910, endowment revenues were only 30 per cent of the total budget of the university.[126]

The independence of Egypt (1922) brought even more supervision of *waqf*. All of the country's *waqf* assets were gradually taken under the ministry of Awqaf of the government. In 1952, the government took over all *waqf* in the country, including those of Al-Azhar, thereby making Al-Azhar dependent on the ministry of Finance and the ministry of Awqaf for getting funds, some of which were actually *waqf* revenues of Al-Azhar. Although Al-Azhar still received its *waqf* revenues from the ministry of Awqaf, in 1959 the income of *waqf* comprised only four per cent of the total budget of the university.[127]

Government funding had an impact on the organisational and administrative reforms of the University, including the level of tuition fees, although it still dedicated quite extensive funding for scholarships for students. In 1950 it offered free tuition, travel grants, and paid allowances to 2,500 students of five Egyptian Pounds per month based on donations from King Farouk I, the Egyptian monarch.[128] However, after the revolution of 1952 that ended the rule of the monarchy, the institution of *waqf*, including that of the University of Al-Azhar, came to be administered by the nationalist government under Gamal Abdel Nasser.[129] The nationalist-socialist policy also affected other *waqf* foundations, where the land reform movement expropriated and sequestrated a lot of privately held lands. A more serious impact on Al-Azhar was the disempowerment of the Grand Shaykh of Al-Azhar.[130] Al-Azhar then became totally dependent on the government—an event that brought social and political consequences. Al-Azhar remained the leading religious and educational institution, but its political power has been removed and this remains the case down to the present.[131]

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[126] Ibid.

[127] Perhaps students started to pay fees from that time. Until today the university still provides scholarships to a number of students, including international students.

[128] *University of Al-Azhar*, p. 42.

[129] About the Egyptian nationalist movement of Nasser, see Robert Stephens, *Nasser: A political Biography* (Harmondsworth: Penguin, 1973).

[130] Grand Shaykh is the highest religious authority of Al-Azhar who had power over the rector and Al-Azhar scholars and was selected by those scholars. Nasser forced two Grand Shaykhs to resign due to their opposition to his regime, and in 1961 his government imposed a law that limited the power of the Grand Shaykh and placed his appointment in the hands of the government.

[131] Its religious studies remain of importance today. The old faculty of religious studies (*adaby*) remains free-of-charge while other non-religious studies (*ilmy*), such as engineering and medical faculties, require high tuition fees. Today more than 1,500 Indonesian

This example shows that the institution of *waqf* and other philanthropic forms not only economically supported *'ulama* (such as managers and recipients of the charity) but also transformed them to be civil society actors who could pressure the state. Criticism of the state was usually launched by independent *'ulama* who notably lived from *zakat* and *waqf*, and the annexation of *waqf* institution by the ruling power consequently diminished the power of civil society.

Conclusion

Throughout the history of Islamic societies, *zakat*, *sedekah*, and *waqf* have been deeply embedded in religious as well as social and political life. *Zakat* has functioned to consolidate social solidarity, *sedekah* as social cement and social security, and *waqf* as a substitute for public facilities. Philanthropic practices are a product of dynamic interactions that draw from Islamic sources, and involve Muslim society, the jurists (*'ulama*) and the state. Each constituent has had to struggle for its own interest. The *zakat* institution and the *waqf* foundations have been used for their social and political weight.

Recently there have been two contradictory trends in Islamic philanthropy reform, especially to do with *zakat*. The first trend represents an attempt to bring *zakat* and *waqf* back and to revive the Islamic tradition as it was practised during the Prophet's time. It specifically aims for the state collection of *zakat*. The second trend tries to contextualise *zakat* and *waqf* practices in the modern period by taking them from the state. Although both trends have tried to modernise the institution of *zakat*, their orientation is different. The first tries to revive strict Islamic forms of a financial system (including *zakat*) and has arisen in those few countries which have a Muslim majority but are under secular rule, such as Indonesia. This trend is mostly supported by Revivalist, Islamist, and Wahabi groups which rely

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students who study at Al-Azhar receive scholarships. It also still provides free accommodation for more than 20,000 national and international students. This support has been possible due to generous donations that Al-Azhar has obtained from other Islamic countries such as Brunei Darussalam and countries in the Gulf. Meanwhile, the *waqf* institution of Al-Azhar has been maintained by the government, as also the appointment of the Rector and administration staff. Many students and scholars of Al-Azhar regret the reduced political position of the Grand Shaykh of Al-Azhar who used to be at the same level as the President of Egypt or the Prime Minister. They also criticise the authoritarian and overprotective government that diminished the social, intellectual and political spheres within the Al-Azhar. (My thanks must go to Aep Saepulloh Darusmanwiati for this information).

on strict reading of the Islamic sources. The second trend tries to adapt to modern ideas such as social justice and gender equity, by interpreting and contextualising the Islamic sources.

The first movement has been strongly supported by Islamist groups and movements with a conservative mission. They view *zakat* as a total economic and social solution, urging people to pay through the state rather than through voluntary charitable practices. Therefore in certain Islamist circles, there has been a growing enthusiasm for *zakat*, not only as a charitable practice but also as a matter of political ideology. The second movement has been strongly supported by non-government human rights activists and progressive Muslim scholars. The two movements are competing, as will be seen in the history of Islamic philanthropy in Indonesia. The next chapter will elaborate on how Islamic philanthropic forms are practiced in Indonesia together with the process of Islamisation.

CHAPTER TWO

ISLAMISATION AND PRACTICES OF PHILANTHROPY IN THE 13TH – 19TH CENTURIES

This chapter seeks to chart the development of Islamic charity in Indonesia from the thirteenth century to the nineteenth century, that is from the first phase of Islamisation and through the development of Islamic kingdoms in the Indonesian archipelago. This section focuses on changes and continuities in *zakat* (including *fitrah*), *sedekah,* and *waqf*, contextualising them within the general trend that developed in the Islamic world. The chapter questions how the practice of Islamic philanthropy was introduced in the Indonesian archipelago and practised by Muslim communities and the rulers.

Islamic philanthropic practices, namely *zakat, sedekah,* and *waqf*, were introduced to the archipelago through a long and slow process of mainly peaceful Islamisation. The practices were adapted to social and economic circumstances and shaped by the Islamic tendencies of the ruler. The vast gaps in the available data, however, make for difficulties in seeking out the existence of a civil society that may refer to mosques and local religious leaders. While *sedekah* and *waqf* remained voluntary, the practice of *zakat* was contested between "the state" and civil society and the institutionalisation of *zakat* in the Islamic kingdoms failed, following the general trend of *zakat* in the Islamic world (as discussed in the previous chapter).

This chapter is organised into four main sections. The first section investigates how Islamic philanthropy was introduced into the Indonesian archipelago. The three sections that follow this portray how *zakat*, *sedekah*, and *waqf* respectively were practised. They generally became a norm of generosity, a sign of personal religious piety, and were used as part of the politics of Islamisation. *Zakat*, in particular, was partly enforced by the state, though the institutionalisation of *zakat* was not the same from one kingdom to another. State management of *zakat* seems to have disappeared with the waning of the Islamic kingdoms, leaving *zakat* collection and distribution in the hands of civil society, without state enforcement.

Philanthropy and the Early Islamisation of Indonesia

This section traces evidence of the presence of Islamic philanthropy as early as the coming of Islam to the archipelago, based on the assumption that philanthropy is an important element in Islamic teachings. With the scarcity of information on the history of the arrival of Islam into the archipelago, this section unfortunately cannot give many specific details but there are enough accounts to suggest that *zakat, sedekah*, and *waqf* were practised in various places where Muslim communities grew. The practices were adjusted or adapted to plural religious communities as one of the means for Islamisation.

Muslim traders had been present in Southeast Asian seas since the seventh century and thousands of them had flooded Canton at least by the ninth century AD.[1] It is therefore possible but not probable, in the light of surviving evidence, that the first wave of Islamisation in Indonesia started in the seventh century.[2] However, Islamisation was a slow process as it was mostly driven by Muslim traders whose main concern, understandably, was trade.

Theoretically, Islamic charitable practices would have begun to exist in the Indonesian archipelago at the same time as Islam itself, due to the fact that *zakat* is one of the five Islamic principles that have a primary place in the lives of Muslims. Compared to other principles such as praying, fasting, and pilgrimage, practices of Islamic philanthropy, such as *sedekah* and *zakat* might have been more easily implemented since the practices were not burdensome for the rich and were helpful for the poor. Although the historical evidence is insufficient, this theory and assumption can be explained as follows.

In my observations of the early practices of Islamic philanthropy, I follow M.C. Ricklefs in assuming that Islamisation must have taken place in two ways—namely through natives who converted to Islam, and through other Asian Muslims who settled permanently in the Indonesian archipelago.[3] Both processes, which influenced each other and were interconnected, also involved Islamic philanthropy. Thus, presumably, activities of philanthropy were already being practised in the early stages of Islamisation by foreign Muslims and possibly also by natives.

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[1] M.C. Ricklefs, *A History of Modern Indonesia since c.1200*, fourth edition (Palgrave MacMillan, 2008), p. 1.

[2] See G. Coedes, *the Indianized States of Southeast Asia*, edited by Walter F. Vella and translated by Susan Brown Cowing (Honolulu: East-West Center Press, 1968).

[3] Ricklefs, *A History of Modern Indonesia*, p. 3.

In all likelihood, natives who were new to the religion would not practise all Islamic teachings immediately, due to the fact that these teachings were complex and were propagated only gradually. However, *sedekah* and *zakat* may have been among the teachings that they observed right from the beginning. An important reason for this is that Muslims could practise *zakat* and *sedekah* with less difficulty than they could pray, fast, observe the prohibition against eating pork, and practise circumcision. Stories of Islamic conversion in the archipelago[4] have emphasised these obligations that may have been hard to observe but were regarded as belonging to the distinct identity of a Muslim. The obligation to pay *zakat* and *fitrah* was probably not demanding since these were due only for the wealthy, once a year. Another reason is that the resources distributed represented a social benefit for the community and gave a positive image of Islam as a new religion. *Zakat* and *sedekah* contribution (in kind or cash) can be given to anyone in need without restrictions of gender, race, or even religion. The distribution of *zakat* to non-Muslims was possibly also a good proselytising strategy during that period. Therefore, *zakat* might have been one of several teachings that became—in Lombard's term—a stimulus for conversion to Islam,[5] because it offered an escape from the caste system that would have been operative in a Hindu community and gave incentives to the poor.

The second group, the Muslim foreigners, might have practised *sedekah* and *zakat* from the beginning of their presence in the archipelago. Referring to the theories about who brought Islam to Indonesia—namely traders, Sufis and religious propagators—I speculate that each of these categories had different approaches to the practice of *sedekah* and *zakat*. Traders had more resources for giving *sedekah, zakat* and *fitrah*, and may even have been able to establish *waqf*. The majority of them might have paid *fitrah* and *zakat*. The payment was probably given to close neighbours who were in need and also to ascetics, as reported by Tomé Pires (see p. 75 below), with or without a system established through mosques. Both Sufis and religious propagators were religiously observant but probably had limited resources. Sufis seemed to stress generosity but placed it after spirituality. They may have inclined to practise more transcendental generosity rather than generosity in institutionalised forms.

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[4] About the stories see Russell Jones, "Ten Conversion Myths from Indonesia," in *Conversion to Islam*, edited by Nehemia Levtzion (New York: Holmes and Meier, 1979), p. 129-58.

[5] Denys Lombard, *Nusa Jawa: Silang Budaya. Bagian Kedua: Jaringan Asia,* 2nd Vol. (Jakarta: Gramedia Pustaka Utama, 1996), chapter 3, p.149-242.

The practice of Islamic philanthropy is observable in Muslim settlements and later in Islamic kingdoms. There are two forms of early archaeological evidence that show the presence of Muslims. The first is the existence of the graves of Sultans in North Sumatra, namely the gravestones of Sultan Sulaiman bin Abdullah bin al-Basir (d. 1211) in Lamreh[6] and Sultan Malik al-Salih (d. 1297) of Samudra Pasai. These gravestones of rulers in North Sumatra affirm local chronicles and Marco Polo's accounts of the establishment of Islamic kingdoms, at least in the thirteenth century in North Sumatra. The second is the finding of Muslim gravestones in Majapahit royal burial places of Trawulan and Tralaya,[7] which suggests that in the 14th century there were Javanese Muslims who were possibly members of the Majapahit royal family.[8] The presence of Muslims in a Shiwaistic and Buddhist royal family is possibly due to the situation of religious plurality and religious freedom which existed at that time[9] and the presence of Islamic kingdoms may have represented a rising awareness of the religiosity, economics, and politics of the Muslim community.[10] Therefore, philanthropic practices and other Islamic principles would have been conducted in those kingdoms, where Islam was gaining political power.

The travel accounts of Tomé Pires, a Portuguese apothecary who visited Sumatra and Java in 1512-1515 AD, provide evidence of the establishment of mosques—without information as to whether they were *waqf* or not—and the practice of almsgiving. In his *Suma Oriental*, Tomé Pires refers to the presence of diligent Muslim traders and *mullahs* (Muslim clerics) who worked for Islamic propagation. They built mosques and converted the king of Melaka, Iskandar Syah.[11] Pires also notes that Sultan Mansyur Syah built a mosque in Malacca.[12] Besides the *Suma Oriental*, local accounts

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[6] Ricklefs, *A History of Modern Indonesia,* p. 4.

[7] The earliest date in Trawulan graveyard is 1368-9 and in Tralaya is 1376. M.C. Ricklefs, "Introduction: The Coming of Islam to Indonesia," in *Islam in the Indonesian Social Context*, edited by the same author (Clayton: Centre of Southeast Asian Studies, 1991), p. 2.

[8] M.C. Ricklefs, *Mystic Synthesis in Java: A History of Islamisation from the Fourteenth to the Early Nineteenth Centuries* (Norwalk: EastBridge, 2006), pp. 2-8.

[9] T.H. Pigeaud, *Java in the Fourteenth Century. A Study in cultural History, The Nagara-Kertagama by Rakawi Prapanca of Majapahit, 1365 AD.*, Vol. IV, Commentaries and Recapitulation, 3rd ed. (The Hague: Martinus Nijhoff, 1962). See chapter 2, religious belief, p. 479.

[10] Ricklefs, "The Coming of Islam to Indonesia." For example, Sufism was prevalent in Java, but not in Sumatra. The distinction between Sumatra and Java is seen also in the policy of *zakat* that will be elaborated in Section Three.

[11] Armando Cortesão, ed. & trans., *The Suma Oriental of Tomé Pires and the Book of Francisco Rodrigues*, vol. 2 (London: The Hakluyt Society, 1944), p. 241.

[12] Cortesão, *The Suma Oriental*, Vol II, p. 249. There is another famous traveller's account written by Ibnu Batuta, a Moroccan traveller who visited the kingdom of Samudra in 1326.

such as *Bustan as-Salatin* (Gardens of the kings)[13] clearly mention that the most common subject of *waqf* by the sultans was to build mosques.[14]

In 1513 AD, Tomé Pires reported the presence of Muslim lords called *pate* who held power along the North coast of Java even though the "King of Java," namely Majapahit, was a non-Muslim. These Muslim *pate*s were originally Persians, Arabs, Gujaratis, Bengalis, or Malays; some of them were originally Hindu-Buddhist lords who had converted to Islam (whom Pires called "heathen"). These Muslim lords married local Javanese Muslims and started to build mosques, which attracted *mullahs* to come over. These *mullah*s and merchants then took control of the North Javanese coastlines.[15] Pires also reported that Muslims gave alms to ascetics (*tapa*), who numbered over fifty thousand.[16] Even if the number of these mystical adherents is debatable, the almsgiving seems to be logical. The waves of Islamisation, which may have become stronger and brought in Sufis alongside Muslim traders,[17] were adapted to the mystical character of the local population.[18] However, it seems that in the subsequent waves of Islamisation in the seventeenth and eighteenth century, the orthodox schools which brought purification and reformation efforts became stronger.[19] It is likely to have been through the networks of these *'ulama* that the practices of *zakat, sedekah* and *waqf* became widely known among royal circles in particular.

Although he did not write about *zakat*, his general account was that the kingdom was under Islamic rule and its king was pious. More explanation will be given in Section Three.

[13] The book is written by Nuruddin Ar-Raniri (on Ar-Raniri see pp. 79 and 84). It may have been written between 1637 and 1644, when the writer stayed in Aceh. The book is a universal history written in a literary style. Chapter Two, section thirteen of the book describes the history of the Malay kingdoms, especially Aceh. The derivative versions of the book were probably written in the nineteenth century. See Jelani Harun, "Bustan al-Salatin, 'The Garden of Kings': A Universal History and Adab Work from Seventeenth-century Aceh," *Indonesia and the Malay World*, Vol 32, no 92, March 2004, pp. 21-52. I refer to the section of the book on Malay history.

[14] Nuruddin Ar-Raniri, *Bustanu's-Salatin. Bab II. Fasal 13*, edited by T. Iskandar (Kuala Lumpur: Dewan Bahasa dan Pustaka Kementerian Pelajaran Malaysia, 1966), hereafter *Bustan as-Salatin*.

[15] Cortesão, *The Suma Oriental of Tomé Pires*, vol I, p. 182.

[16] Ibid., p. 177.

[17] See the theory of Shaykh Naguib Al-Attas on the role of sufis in the Islamisation of the archipelago.

[18] On the theory of mystical synthesis, see Ricklefs, *Mystic Synthesis in Java*.

[19] About religious Reformism in the Indonesian archipelago see Azyumardi Azra, *The Origins of Islamic Reformism in Southeast Asia. Networks of Malay-Indonesian and Middle Eastern 'Ulama' in the Seventeenth and Eighteenth Centuries*, ASAA Southeast Asia Publication series (Honolulu: University of Hawai'i Press, 2004). "Reformism" before the nineteenth century refers to the more orthodox mainstream.

Hindu and Buddhist Charity

Distinct from the case in Sumatra, Islamisation in Java integrated with previous traditions of Hinduism and Buddhism.[20] A cultural factor that made the practice of *zakat, sedekah* and *waqf* more easily accepted is their nature as a universal act of benevolence, a focus found also in Hinduism and Buddhism. Long before Islam, Hinduism and Buddhism had found a stronghold in the archipelago, and both Hindu and Buddhist cultures practised religious giving in the form of *dana* (giving, or ritual giving to holy persons).[21] Moreover, Hinduism had a practice of *seva* (voluntary works for a religious temple).[22] Generous giving by kings for political, religious, or other reasons was a custom that could be found in the pre-Islamic period. All money given was intended for the priests, not for the poor.

Both kinds of giving are portrayed by Mpu Prapañca in his *Deśawarṇana*, popularly known as the *Nāgarakṛtāgama*,[23] in which kings gave charity to priests and the public as a kind of royal favouritism, and the people gave donations to priests. Apart from these, there were many kinds of taxes and fees that were practised as a social custom.[24] The *Deśawarṇana* portrays a custom of charitable gift-giving around the royal court of Majapahit. Charitable giving could be religious or non-religious, and can be differentiated into three types. The first type of giving was for religious purposes, such as the establishment of religious foundations, temples, lands, domains, buildings, land revenue, and tax exemption. These donations were given to priests like the free domains and sacred places for Shiwaists and Buddhist

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[20] Ricklefs, "The Coming of Islam to Indonesia."

[21] *Dana* can be translated as giving, teaching, liberality, and charity. Its meaning refers to a charitable act of *dharma* (obligation). See Leona Anderson, "Contextualizing Philanthropy in South Asia: A Textual Analysis of Sanskrit Sources," in *Philanthropy in the World's Traditions*, edited by Warren F. Ilchman, Stanley N. Katz, and Edward L. Queen II (Indiana: Indiana University Press: 1998), p. 58. The concept of giving in Buddhism is a universal giving to all creatures, which scholars categorized as genuine donation. See Leslie S. Kawamura, "The Mahayana Buddhist Foundation for Philanthropic Practices," in *Philanthropy in the World Traditions*, ibid., p. 98.

[22] Whereas *dana* signifies material giving, *seva* is more about volunteering, namely the obligation to give time and labour to preserve temples. See Mark Juergensmeyer and Darrin M. McMahon, "Hindu Philanthropy and civil Society," in *Philanthropy in the World's Traditions*, ibid., pp. 264-5

[23] Stuart Robson, ed. & trans., *Deśawarṇana* (Nāgarakṛtāgama) by Mpu Prapañca (Leiden: KITLV Press, 1995). See also Pigeaud, *Java in the Fourteenth Century*.

[24] Pigeaud, *Java in the Fourteenth Century*. See for example the reference to the Sarwadharma charter, p. 382, which discusses the payment of taxes and fees by indigenous people to the kings, and where religious domains were exempted from taxes.

clergy (see for example Canto 76, 77, and 78).[25] The second type consisted of honorary rewards or presents, such as a *dharma* given to Gajah Mada (Canto 19-2), for those who accomplished outstanding services for the king and the kingdom.[26] The last type consisted of free gifts of money, textiles, food and liquor, together with various plays and games for the amusement of the common people, which were given during feasts or pageants. An example of such a celebration is the ceremonial homage for Rajapatni's obsequies described in Canto 65-66.

Pigeaud notes a rice or padi tax which was an old practice called *turun-turun sagem sarakut* (a tithe of one bundle/handful). This padi tax was given to kings and was the royal revenue.[27] Later in the nineteenth century, padi *zakat* became widely practised in the island of Java. While the padi tax was different from padi *zakat* in terms of the beneficiaries and its philosophical meaning, the subject matter of both was the same, namely rice. It is possible that this padi tax may have eased with the implementation of padi *zakat.*

As the Islamisation process grew stronger, it is likely to have brought a gradual implementation of the wide observance of *zakat, sedekah* and *waqf* in Islamic settlements, city-states, and kingdoms as early as the thirteenth century. Generally, the gradual process of Islamisation made the interaction and adaptation between the new religion and local traditions run well, although conflicts did of course occur.[28]

Islamic Charities in Royal Circles

Scattered written sources from the thirteenth century suggest that Islamic charitable practices had already become a common custom in the Islamic kingdoms. As might be expected, most sources concern royal life and politics, but there are also many references to *zakat, sedekah,* and *waqf*. These sources consist of travel accounts and local accounts.

The accounts of foreign travellers consist of the reports of Ibn Batuta, Marco Polo, and Tomé Pires (noted above). Local historical accounts include: *Bustan as-Salatin* (Gardens of the Kings) from Aceh, *Adat Aceh* (Cus-

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[25] Robson, *Deśawarṇana,* pp. 79-81.

[26] Robson, *Deśawarṇana*, p. 40.

[27] Pigeaud, *Java in the Fourteenth Century,* Vol. III, p. 386.

[28] Accounts of such conflicts between practices of the new religion and non-Muslim practices can be found for example in G.W.J Drewes, ed. & trans., *An Early Javanese Code of Muslim Ethics* (The Hague, Martinus Nijhoff, 1978).

tom of Aceh)[29] and *Sejarah Melayu* (Malay Annals)[30] about the royal line of Melaka; legal books such as *Undang-undang Melaka* (Book of Melaka Laws);[31] and the Islamic ethical code books such as *The Admonitions of Seh Bari.*[32] Chapter 2 and sub-chapter 13 of *Bustan as-Salatin* recount the social, political and religious life of the royal families of Aceh in exceptional detail. The writer, Shaykh Nuruddin Muhammad ibn Ali Hamid ar-Raniri (d. 1658), a great scholar of both Sufism and Islamic laws originally from Gujarat, acted as Shaykh al-Islam (a chief judge) in the Sultanate of Aceh for about seven years (1637-1644).

In these accounts, *sedekah*, *zakat* and *waqf* are mentioned and other terms denoting Islamic philanthropy, such as *'ushr* (one tenth) and *derma* (gift), are also used. In quantitative sequence, the frequency of usage is *sedekah, derma, zakat, 'ushr, waqf,* and *baitul mal* (state treasury or philanthropic institution).

Islamic teachings on wealth and the ethics of liberality found in local accounts are intended for all Muslims, though they focus on kings and *'ulama*. In general, the ethics of liberality refers to guidance about being

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[29] *Adat Aceh* was written in classical Malay using Jawi script, probably in the seventeenth century. I have used the edition of G.W.J Drewes and P. Voorhoeve, copied by Pusat Dokumentasi dan Informasi Aceh. *Salinan Adat Aceh dari manuscript India Office Library*, transcribed by Teungku Anzib Lamnyong (Banda Aceh, Pusat Dokumentasi dan Informasi Aceh, 1981). For a study on *Adat Aceh*, see Ito Takeshi, "The World of the Adat Aceh: A Historical Study of the Sultanate of Aceh" (Ph.D. dissertation, Australian National University, 1984).

[30] This Malay history was written in classical Malay using the Jawi script. Its content is basically the same as that of *Sulalatus Salatin*, which is about the establishment of Melaka and neighbouring kingdoms. On *Sulalatus Salatin* see A. Samad Ahmad, ed., *Sulalatus Salatin Sejarah Melayu* (Kuala Lumpur: Dewan Bahasa dan Pustaka, 2000). There are many derivatives and variations of the text. One of them was believed to have been compiled and edited in 1612 by Tun Sri Lanang. However, it probably reflects eighteenth-century rather than sixteenth-century practices. I have used the edition of W. Shellabear. The text is a hybrid version of *Sulalatus Salatin* which incorporates later additions. Compared to the editions of Winstedt and Abdullah bin Abdul Kadir Munsji, this edition uses more Islamic terminology such as *sedekah*.

[31] Liaw Yock Fang, *Undang-undang Melaka* [*The laws of Melaka*] (The Hague: Martinus Nijhof, 1976). The book is written in Malay and is probably an eighteenth-century text.

[32] This is a Sufi literary work which probably stems from sixteenth century Java. It was written in Javanese and in the Javanese script. See G.W.J. Drewes, ed. & trans., *The Admonitions of Seh Bari. A 16th century Javanese Muslim text attributed to the Saint of Bonan* (Den Haag: Martinus Nijhof- KITLV, 1969).

generous,[33] respecting and loving the poor[34] and orphans,[35] avoiding being greedy,[36] and being just.[37] *Adat Aceh* may indicate that *sedekah* is a responsibility of the ruler, because it mentions *sedekah* after providing jobs for the poor and giving *sedekah* to eliminate suffering.[38] This provision shows that there was a blurred area between the personal charity of the ruler and the obligation of the state at that time. Royal charity and the ethics of liberality were also practised for the making of good governance.[39] Even if this royal charity did not belong to the category of philanthropy, this information gives an understanding of the concept of generosity in the early period of Islamisation in Indonesia.

A Javanese Muslim ethical code advised Muslims to be generous or give generously, including through *sedekah* and *zakat*. The *Early Javanese Code of Muslim Ethics,*[40] contains customs that were supposed to be practised by Muslims, especially Muslim scholars. The writer was probably a fol-

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[33] *Taj al-Salatin* from Aceh strongly emphasises generosity and philanthropy as significant values and as guidance for good kings. The chapters in question are Chapter 20 (on the people and the kings in the kingdom) and Chapter 22 (on generosity and greediness). Chapter 2 deals with the famous story of Hatim of Bani Ta'i as the most generous man in the history of Arabs, who probably lived in the time of the Ottoman kingdom. Bukhari Jauhari, *Taj us-Salatin*, edited by Khalid Hussain (Kuala Lumpur: Dewan Bahasa dan Pustaka, 1966), pp. 200-1, further reference it will be referred as *Taj al-Salatin*.

[34] Ibid.

[35] "The king should do justly, honour all *'ulama*, and love all the poor, destitute, and orphans." *Adat Aceh*, p. 7.

[36] W.G. Shellabear, ed., *Sějarah Mělayu*, new ed. (Kuala Lumpur: Oxford University Press, 1967), p. 57; cf *Hikayat Raja Pasai*, edited by Russell Jones (Shah Alam (Selangor): Penerbit Fajar Bakti Sdn.Bhd, 1997), p. 21.

[37] For example the section of *Bustan al-Salatin* which contains a special reference to good kingdoms, suggests that the good king is just, wise, generous, good to his people, and religious.

[38] "The king should do justly and should strongly maintain ministers and all the rich and prosperous people in the country. And the king should bestow love to all countries and blessing for trades and augment the traders in the country, and provide jobs for the poor, the sick, and give *sedekah* to all the poor." *Adat Aceh*, pp. 6-7. And also p. 9: "[t]he king should ask them, who among his subjects are sick, what kind of ordeal/suffering God gave them, who among them do not have money, then the king should give *sedekah* to eliminate the suffering. [The king] should go out from his palace and help his subjects who are suffering to maintain his subjects."

[39] A.C. Milner, *Kerajaan: Malay Political Culture on the Eve of Colonial Rule* (Tucson: University of Arizona Press, 1982), pp. 40-1.

[40] G.W.J Drewes, *An Early Javanese Code*. In general the substance of the book is rather contradictory. On the one hand it tells Muslims to be good to all of God's creatures, but on the other hand it easily condemns infidels and non-believers including Muslims who could also be non-believers and infidels. This book was probably written as late as the eighteenth century in Java.

lower of Al-Ghazali[41] who resisted the Qadiriyya (school advocating free-will).[42] One prescription for Muslim scholars is to respect their students and treat them as their own children, which includes giving them food and clothing.[43] Another prescription for Muslim scholars is to give *sedekah* in secret.[44] In many places the book mentions generosity, such as to do more charity and "to practise the virtue of liberality,"[45] to give to orphans, and "to be open-handed when rich."[46] Another Javanese book of mysticism from the sixteenth century also advises certain *sedekah* giving after prayers and giving *zakat*.[47]

From all the sources noted above it can be seen that Islamic forms of generosity were practised among Muslim people, Sufi groups, and royal circles. The following section will focus on the concept and practice of *zakat* during the period of the Islamic kingdoms.

Zakat*: Between State Administration and Private Voluntary Practices*

This investigation of *zakat* in pre-colonial Indonesia starts with the question as to why the term *zakat* rarely appears in early local sources, and is not mentioned at all in *Undang-undang Melaka*, the collection of state regulations that was based on Islamic law and was widely used in the Malay world.[48] It is impossible to imagine that *zakat* and *fitrah* were absent from people's customs if Islamic teachings and religious celebrations were strong.[49] Ibn Batuta, who visited the kingdom of Samudra (North Sumatra) in 1326, wrote in his *Rihla* that Sultan Al-Malik Al-Zahir (r. 1326-1360) used

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[41] Abu Hamid Muhammad bin Muhammad Al-Ghazali (1058-1111) was a great jurist of the Shafi'i School, a theologian, philosopher, and Sufi. Although he was quite successful in integrating Sufism and Shari'a orientation, his greatest influence is in mysticism. He belongs to the Ash'ari school of theology which maintains a deterministic approach (*jabariyya*).

[42] Qadiriyya is a school of theology that is based on free will or a non-determinist approach.

[43] The text is "respect your pupils and look after them; value their good conduct and treat them the same way as you do your own offspring. Give them food and clothes, so that they be in a position to live up to Muslim standards and not be seized with doubt. Treat your servants in the same way you do your pupils…" Drewes, *An Early Javanese Code,* p. 25.

[44] Ibid., 27. Concealed giving is usually for *sedekah*, not for *zakat*.

[45] Ibid., 29.

[46] Ibid., 43.

[47] G.W.J Drewes, *The Admonitions of Seh Bari*, fol 68 and 70-1, pp. 90-3.

[48] A good general reference for laws of Malaka is M.B. Hooker, ed., *The Laws of South-East Asia*, vol 1, pp. 376-84 (Singapore: Butterworth, 1986).

[49] Amirul Hadi shows that religious ceremonies and Islamic penal laws were implemented in the Sultanate of Aceh. See Amirul Hadi, *Islam and state in Sumatra A study*

to perform the Friday prayers and was "a lover of jurists, who come to his audiences for the recitation of the Qur'an and for discussions".[50] Scholars of international reputation were also found in Samudra, including men such as the Qadi Amir Sayyid of Shiraz, and the jurist Taj al-Din of Isfahan, who were the "right hand" of the Sultan. Religious life in the form of Friday prayers, the *taraweh* prayers during Ramadan and the celebration of *'Id al-Adha* and *'Id al-Fitr*, was strong.[51] In such typically religious circumstances, it is reasonable to assume that *zakat* and *fitrah* were practised. But how they were practised in the Samudra kingdom remains unclear.

The absence of the term *zakat* is probably due to the general development of the institution of *zakat* in the Islamic world. As shown in Chapter 1, state *zakat* management had been transformed, leaving *zakat* dues partly being included as taxes (such as through customs duties and land taxes) and partly being practised as individual charity. The development of *zakat* in the Indonesian archipelago followed the developments in Arabian Peninsula, and—as I will demonstrate below—the same had happened in the Ottoman and Moghul Empires. There were several important features in common: state collection of *zakat* was only on "visible" property (such as crops and commodities) with or without mention of the term *zakat*; "non-visible" property (such as gold and money) was voluntarily paid; state collection of *zakat* was not executed by a specific office, but was included in state administration, such as a tax office or state treasury; and *fitrah* was always a voluntary practice.

As *zakat* (not *fitrah*) had once functioned as a religious tithe in the early history of Islam in the Arabian Peninsula, one might assume that it was implemented by the Islamic kingdoms in the archipelago in a similar way. This assumption is not totally without support as in the case of Aceh (below) *zakat* was probably regulated by the ruler. Nevertheless, no single policy was adopted by the many different Islamic kingdoms of the archipelago regarding *zakat*. In the Acehnese kingdom *zakat* was strongly regulated, but in most other kingdoms there was no regulation. However, although one kingdom may have regulated and collected *zakat* strictly, the private voluntary practice of *zakat* and *fitrah* also remained in existence. In the long run, state regulation of *zakat* disappeared at the same time as the kingdom weakened and diminished.

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of seventeenth century Aceh (Leiden: Brill, 2004). Hadi describes religious ceremonies (pp. 118-34) and the application of Islamic penal laws (pp. 169-81).

[50] H.A.R. Gibb, *The Travels of Ibn Batuta A.D. 1325-1354* (London: The Hakluyt Society, 1994), Vol. IV, pp. 877-8.

[51] Shellabear, *Sejarah Melayu*, p. 79.

Zakat *and* Fitrah *in the Acehnese Kingdom*

Local sources allow us to build a picture of *zakat* and *fitrah* practice in the Acehnese kingdom.[52] As noted above, if *zakat* had been practised in the fourteenth-century kingdom of Samudra, it must have been practised since the beginning of the Acehnese kingdom in the fifteenth century, since the latter was, to some extent, a continuation of the former. The practice might have become stronger two centuries later, in the early sixteenth century, when the application of Islamic orthodoxy became more important for the Aceh Sultanate. In this period, the teachings of *Wujudiyya* Sufism[53] led by Hamza Fansuri were opposed by Shaykh al-Islam Nuruddin Al-Raniri, and at the same time the teaching of orthodoxy became stronger and obtained support from the ruler.[54] Nuruddin Ar-Raniri, who was a militant *Shaykh* in favour of the application of Islamic orthodoxy together with Sufism, informs us that the Aceh Sultanate was a good Islamic kingdom ruled mostly by pious sultans. It had good relationships with Ottoman Turkey, and had many scholars of *fiqh*, *tasawwuf* (Islamic mysticsm), *mantiq* (logic), and *usul* (jurisprudence) coming from Mecca and other centres of Islamic teaching.[55] The *Bustan as-Salatin* shows that the rigorous application of the *shari'a* began with Sultan Alauddin Riayat Syah (r. 1539-1567) and became more persuasive from the reign of the Sultan Alauddin bin Sultan Ahmad Perak (r. 1577-1585) onwards.[56]

The practice of *zakat* was regulated by the state from the reign of Sultan Alauddin bin Sultan Ahmad Perak. Ar-Raniri wrote:

> The sultan [Alaudin bin Sultan Ahmad Perak] was very devout and pious, just in his rules, and strong in his orders. He was the one who loved *'ulama* and looked after the *shari'a* of the Prophet. He also prevented his people from drinking wine and gambling, and ordered all of his commanders to have beards, to wear robes, and to put on turbans, and he instructed all his subjects to pray five times, to fast during Ramadan, to do recommended fasting, and to pay *zakat*.[57]

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[52] On the Acehnese kingdom see Denys Lombard, *Kerajaan Aceh jaman Sultan Iskandar Muda, 1607-1636* (Jakarta: Balai Pustaka, 1986), and Hadi, *A study of seventeenth century Aceh*.

[53] *Wujudiyya* comes from Ibn Arabi. However, the term denotes the doctrine of *wahdatul wujud* (unity of being) which was labeled as a heterodoxy or pantheism.

[54] This school of Sufism is regarded as a perversion by orthodox Muslims. On the Wujudiyya in the archipelago see A.H. Johns, *The Gift Addressed to the Spirit of the Prophet* (Canberra, the Australian National University, n.d), and Azra, *The Origins of Islamic Reformism*.

[55] *Bustan as-Salatin*, pp. 31-5.

[56] Ibid.

[57] Ibid., p. 33.

In the text cited above, Ar-Raniri recorded that the king's instructions related not only to matters that were regarded as religious ritual obligations but also to recommended rituals and customs including the wearing of beards, robes and turbans. The Sultan also appears to have adopted Muslim customs from the Middle East, which is where many of the *'ulama* in Aceh had come from.

As the king's instruction was a bylaw for the people, *zakat* would probably have been not only practised as a religious obligation but also enforced by state regulation in an example of a "top-down Islamisation" which was encouraged by the ruler. Much state regulation would have been needed because the sultan would have wished to put the emphasis on Islamisation, which may have been important for the sultan to gratify his personal religiosity, to please his notable *'ulama*, and to show the Ottoman allies that Aceh was a real Islamic kingdom.[58] The Islamisation policy may have been aimed at supporting the sultan's religio-political legitimacy as well as attracting more traders who would bring economic prosperity to Aceh.

Zakat was certainly regulated from the time of Sultan Iskandar Muda onwards (1607-1636), as Ar-Raniri and *Adat Aceh* (Acehnese Customs), cited below, confirm. Ar-Raniri wrote:

> And [it was] he who established the mosque Baitur Rahman and several [other] mosques in each district. It was he who strengthened the Islamic religion and instructed all the people to pray five times, fast during Ramadan and do recommended fasting; it was he who prevented his people from drinking *arak* and from gambling. It was he who set up the *baitul-mal*, *'ushr* of Aceh Darussalam and market taxes (*cukai pekan*). It was he who was so generous to his people and gave *sedekah* to all the poor and destitute every time he went for the Friday prayer.[59]

Iskandar Muda, who has been regarded as the sovereign who led the Acehnese Kingdom into its golden age, included *'ushr*[60] (one tenth) and market taxes in the income of the state treasury, *baitul mal*. The market taxes were

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[58] The relationship with the Ottomans intensified through the appeals for help from Sultan Alauddin Riayat Syah to fight the Portuguese. See the account in Naimur Rahman Farooqi, *Mughal-Ottoman Relations* (*A Study of Political & Diplomatic Relations between Mughal India and the Ottoman Empire, 1556-1748*) (Delhi: Idarah-I Adabiyat-I Delhi, 1989), pp. 157-8.

[59] *Bustan as-Salatin*, p. 36.

[60] In Shafi'i *fiqh* this term refers mainly to the one-tenth of *zakat* on crops. *Hadith* refer to *'ushr* as a tax levied on Muslims and *kharaj* on non-Muslims. T. Sato shows that in the early period of Islam, *'ushr* was regarded as a tax levied on Muslim cultivators, Muslim and non-Muslim merchants and artisans. The distinction between *'ushr* and *kharaj* later disap-

part of *zakat* which were due on merchandise and could be collected at markets. The term *'ushr* generally means land or crop taxes.[61] In Aceh, it refers to tax on land, as well as on imported merchandise. *Adat Aceh* describes *'ushr* as taxes due on imported merchandise, claiming that this was regulated from 28 May 1708.[62]

> The custom of *'ushr* in Bandar Aceh Darussalam is due on all ships, or sloops, or gondola which come to trade, [taken] by the end of the transactions. [They] go to the harbour (*furdah*) to get estimation. ...For ships of White people, every 100 tahil is due 6 tahil 4 gold. ...For Muslims or Hindus or other non White people, it is due 5 *tahil* 4 gold in every 100 *tahil*. ...[63]

The evidence on the *'ushr* due on lands comes from the *Kedah Laws*,[64] which were possibly also regulated in Aceh. Article 3 of chapter 2 of the *Kedah Laws* states as follows:

> Whoever produces padi rice (*huma*) should be forced to pay *zakat* according to the right calculation (*hisab*) of what the person receives. Ask the person to pay ten gold [coins] for its *zakat*. If the person refuses, the headman should force him/her to pay *zakat*, according to the Laws of God.[65]

These two texts give a clear impression that in the Acehnese kingdom *zakat* was regarded as a religious tax, namely *zakat* on crops and trade commodities (*'ushr*). The ruler of Aceh followed the *fiqh* on *zakat*, namely to collect only *zakat* due on "visible" property, not on "invisible" property. Probably *'ushr* was the only state-*zakat* that was regulated in Aceh, leaving people to pay other *zakat* due on "invisible" property and *fitrah* voluntarily.

The practice of *zakat* in Aceh was actually similar to those of the Mughal[66] and Ottoman[67] empires from the fifteenth to seventeenth centuries. Although the term *zakat* does not survive in most of the documents from

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peared in many Muslim countries, which used *kharaj* instead. See T. Sato, "'Ushr," in *Encyclopaedia of Islam*, New Edition, vol X, p. 917.

[61] I suggest that in Indonesia *'ushr* could be understood as both land and crop taxes, because although it was due on land, it actually took in a percentage of the crops.

[62] *Adat Aceh*, pp. 78-9. (Monday 6 Rabiul Awal, 1120).

[63] *Adat Aceh*, p. 101.

[64] Sir. R. Winstedt "Kedah Law," JMBRAS (1928), 6(2): pp. 1-44.

[65] Ibid., p. 28.

[66] The Mughal Empire was founded in 1526 on the Indian subcontinent by Zahiruddin Muhammad Babur, a Turkish ruler, and lasted until 1707. On the Mughal Empire see John F. Richards, *The New Cambridge History of India The Mughal Empire* (Melbourne: Cambridge University Press, 1995), hereafter referred to as *The Mughal Empire*.

[67] Halil Inalcik and Donald Quataert, eds., *An Economic and Social History of the Ottoman Empire, 1300–1914* (Cambridge: Cambridge University Press, 1994), pp. 198-99, 204-06.

these empires, it seems likely that it was practised and was most of the time integrated into the land revenue and tax on commodities. Qureshi has demonstrated this kind of integration in the Mughal Empire where *zakat* funds were collected in the same treasury together with other state revenues, although there was a case where *zakat* was treated as a separate treasure.[68] Most Mughal rulers did not impose *zakat*. When it was imposed, it was taken only from commodities, at a rate of 2.5 per cent for Muslims, 5 per cent for Hindus and 4 per cent for both Christians and Jews. The Mughals did not levy *zakat* on property.[69] In the Ottoman Empire, *zakat* was taken from commodities and land, which were regarded as taxable. In the fifteenth century it survived as a 2 per cent levy on merchandise for Muslims and 5 per cent for people from the "Abode of War" and non-Muslim subjects. The Mughals strictly regulated and collected taxes due on land and farms. Although these taxes were not named *zakat*, their rates were the same as those of *zakat*.[70]

The practice of *zakat* in Aceh was likely to have been the same as in the Mughal and Ottoman empires, exposing a dichotomy of two contradictory ideas, namely *zakat* as tax (which is administered by the state together with other kinds of taxes) and *zakat* as private voluntary giving.

There is an additional fact that supports the above argument—namely the absence of any administration of *zakat*. There is no indication of the presence of official *zakat* collectors (*amil*). One might assume erroneously that there was an official *amil* organisation, on the basis of the following passage from Ar-Raniri's *fiqh* work *Sirat al-Mustaqim*,[71] one of the earliest surviving complete works of *fiqh* written in the Malay language:

> The fifth [beneficiaries] are *amilun*, namely people who manage *zakat*. There are nine divisions. The first is called *sa'i*, who are ordered by the sultan or

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As a result of the centralisation of *zakat* as a state administration many historians do not see *zakat* as part of the study of charity.

[68] A clearer picture on the position of *zakat* and other levies in the Mughal Empire is described by Istiaq Husain Qureshi, *The Administration of the Sultanate of Delhi,* 5th rev ed. (New Delhi: Oriental Books Reprint Corporation, 1971), Chapter 6, on finance, pp. 95-135.

[69] Arinuddha Ray, *Some Aspects of Mughal Administration* (New Delhi: Kalyani Publishers, 1984), pp. 150-1.

[70] Halil Inalcik and Donald Quataert, *An Economic and Social History of the Ottoman Empire*, pp. 198-9.

[71] This is a standard *fiqh* book based on the Shafi'i School of law that contains *ibadah* regulations only. (Details on *fiqh* will be discussed in Chapter 3). Nuruddin Ar-Raniri, *Sirata l-Mustaqim*, edited by Abu Hanifah (Jakarta: Pusat Pembinaan dan Pengembangan Bahasa Departemen Pendidikan dan Kebudayaan, 1992), Hereafter it will be called *Sirat Al-Mustaqim*.

> his *naib* to collect *zakat*. For them it is required to be knowledgeable, Islamic, *mukallaf*, free, male, just, and able to hear and see. The second is *katib*,[72] who makes the order [to write] *zakat* funds. The third is *qasim* who distributes *zakat*. The fourth is *hasyir* who collects *zakat* from all the people due to pay *zakat*. The fifth is *arif*, who knows the recipients of *zakat*. The sixth is *hasib*, who estimates *zakat*. The seventh is *hafiz*, who oversees the *zakat* funds. The eighth is *jundi*, namely the army. The ninth is called *jabir*, who force [people] to pay *zakat*. It should not be in excess of the figure mentioned, according to need. Sultan, *wali,* and *kadi* are not included in the above number.[73]

There is only a small possibility that this *amil* organisation was practised in Aceh or elsewhere, including in Ar-Raniri's own country, Gujarat;[74] indeed it is also possible that it was never practised anywhere.[75] The passage may have been an opinion for guidance, as was the case in many *fiqh* books. Ar-Raniri's passage actually stresses the rights of *amil* functionaries working for the sultan, *wali* and *kadi* to get proper wages.

Apart from the question of the separate organisation, it is possible that *zakat* regulation was implemented strictly and collected by force during the rule of Sultan Iskandar Muda, as he was an authoritarian ruler. Rulers with a more orthodox orientation were likely to implement the strict collection of *zakat*. In Mughal India, for example, the implementation of *jizyah* (a poll tax for Christians), *zakat* (for Muslims), and pilgrimage tax (for Hindus) depended on the level of orthodoxy of the ruler and the economic situation.[76] *Zakat* (on lands and commodities) may have become a privilege of the sultans and their local rulers.

Zakat (except in the two cases mentioned above) and *fitrah* were given voluntarily. The sultan's order to pay *zakat* noted by Ar-Raniri might also refer to the practice of *fitrah*. It is safe to assume that *fitrah* had become a part of the people's annual payment, although it was not administered by the kingdom. (Even in the earlier history of Islam, *fitrah* had never been implemented by force). As the celebration of *'Id al-Fitr* (the celebration of the end of the fasting month) was the largest celebration at that time (at least since 1326 under Al-Malik al-Zahir of Samudra), it is assumed that

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[72] The text mistakenly refers to *katab*, which should be *katib*.

[73] *Sirat Al-Mustaqim*, p. 175.

[74] Gujarat was a sultanate ruled by the Moghuls.

[75] In Moghul and Ottoman administrations, the revenue collectors were called *amin*. The term *amil* was used by the Moghuls together with *mutasarrif* or *shiqdar*. Qureshi, *The Administration of the Sultanate of Dehli*, p. 209.

[76] See *The Mughal Empire*, pp. 175-7

people contributed *fitrah* because it was seen as part of the spirit of Ramadan and the *'Id* celebration.

The popular practice of *fitrah* may have accustomed people to the private distribution of *zakat*. The practice of private giving of *zakat* may have come from *fiqh* books such as *Sirat al-Mustaqim*, which mentions how to give *zakat* directly to beneficiaries,[77] and from the character of *zakat* itself, which allows for "flexibility" in its implementation in several ways. First, the decision about an individual's capacity to pay both forms of *zakat* is up to the individual. Second, certain kinds of *zakat mal* (such as crops and husbandry) have their own *nisab* calculation and times for paying it. Third, there are options regarding those to whom *zakat* payment can be given. This "flexibility" made for a complex situation that encouraged private giving.

The Absence of Zakat *Regulation in Legal Texts*

The absence of *zakat* regulation in the Malay legal books is therefore not surprising, because the paying of *zakat* was partly practiced as individual voluntary donation, and partly included in the tax system. *Undang-undang Melaka,*[78] which became a legal resource for many Islamic kingdoms in Sumatra and along the Strait of Malacca, does not contain specific provisions regarding the administration of *zakat*. This absence makes sense if *zakat* itself is regarded as individual private giving as well as a tax. *The Pahang Laws*, which were supposedly compiled for the Sultan of Pahang Abd Ghafur Muhaiyu'd-din Syah (r. 1592-1614), lack provisions on *zakat* but not on taxes.[79] *The Kedah Laws,* which regulate *'ushr*, also regulate taxes on commodities.[80] *The Ninety Nine Laws of Perak*[81] mentions that the main duty of the district head (Law number ninety eight) is to collect revenue.

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[77] *Sirat Al-Mustaqim*, p. 176.

[78] *Undang-undang Melaka* consists of six different texts, dealing among others with maritime law, Muslim marriage law, and Muslim law of sale and procedure. This is a fairly late text in its published form but it may incorporate earlier laws that were in operation in fifteenth-century Melaka.

[79] The Pahang Laws, called *Undang-undang Kerajaan*, codifies local law as well as Islamic law of the Shafi'i school. Regulation no 74 is a 20 per cent tax on foreign merchandise and no 75 is a 10 per cent tax on local commodities. See J.E. Kempe and Sir Richard O. Winstedt, "A Malay Legal Digest of Pahang," in JMBRAS (1948) 21: part I, p. 20. This digest purports to relate to Perak, Pahang and Johor.

[80] The Kedah Port Law mentions the taxes and duties levied when entering ports. See Winstedt "Kedah Law," pp. 15-26.

[81] It is probably the same age as *Undang-undang Kerajaan*. Some of the laws have been included in *Undang-undang Kerajaan*.

It contains no regulation on *zakat*.[82] In fact, resentment against the inclusion of *fitrah* as revenue to be collected by the state was found in modern times in twentieth century Malay states.[83]

The general teaching on *fiqh* is probably also a factor in this absence. The regulation of *zakat* is always discussed as *fiqh* of the *ibadah* (ritual) framework together with purification of the body, prayers, fasting and pilgrimage, and not in the *mu'amala* (human interaction) section along with *waqf*, inheritance, commerce, and marriage. From the early period of Islam, Muslim jurists have stressed *zakat* as a personal religious ritual, not as a "secular" human interaction. *Zakat* regulation, such as on beneficiaries and management, only started to undergo major changes in the modern period. While most local legal digests probably adopted Islamic laws from *fiqh* of *mu'amala*, this may have prevented the inclusion of *zakat* regulation in the Malay legal digests.

Private giving of *zakat* in fact strengthened the position of local *'ulama*. Most people gave their *zakat* to *'ulama* or local religious officials for further distribution because they did not know enough about *zakat*, such as how much they should pay, and to whom. *'Ulama* had a right to get a portion of *zakat* for their work. This mechanism might have worked with or without the involvement of the kingdom.

Information on Zakat *in Other Kingdoms*

Other information on the role of *zakat* in Islamic kingdoms comes from the eighteenth-century Sultanate of Banjar, in South Kalimantan. It was reported that Muhammad Arshad b. Abdullah Al-Banjary—Shaykh Al-Banjary—(1710-1812)[84] asked his teacher, Sulayman Al-Kurdi about the Sultan's religious policies, one of which was the imposition of taxes rather

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[82] J. Rigby and R.J. Wilkinson, trans. and ed., "The Ninety Nine Laws of Perak," in *Reading in Malay Adat Laws*, edited by M.B. Hooker (Singapore: Singapore University Press, 1970), p. 82. Regulation no 54 states that wealthy people should be generous to the poor.

[83] In 1957 there was resentment against the payment of *fitrah*, which was included in the Council of Muslim Religion Enactment. People pointed out the payment should be voluntary as it was part of *adat*. See M.G. Swift, *Malay Peasant Society in Jelebu* (London: Athlone, 1965), pp. 93-4.

[84] Al-Banjary was concerned with the correct application of *shari'a* precepts. Among Al-Banjary's reforms were the corrections of *qiblah* of several mosques in Batavia, the establishment of an educational centre in Banjar, and the establishment of an administration of justice in the Sultanate of Banjar. More about Al-Banjary see Azra, *The Origins of Islamic Reformism,* p. 109, and Karel Steenbrink, *Beberapa Aspek tentang Islam di Indonesia Abad ke-19* (Jakarta: Bulan Bintang, 1984), pp. 91-100.

than *zakat*.[85] This policy was not due to religious laxity; in fact, the Sultan imposed fines on those not performing the Friday prayers.[86] The *zakat*-taxes policy was seen as being on the same footing as the policy of Friday prayers, which was part of the orthodox mainstream. Therefore, imposing tax rather than *zakat* could not be interpreted as unorthodox or even as caused by secular thought. The Sultan probably wanted to induce people who used to pay *zakat* privately to pay it to the state in order to increase the kingdom's income. He may have invoked the legal opinion that certain taxes were the same as *zakat*, an opinion that was used to support the levying of tax. Such an opinion was expressed by others, such as Abu al-Su'ud, Shaykh Islam in the sixteenth-century Ottoman Empire. He claimed that as long as there was a religious intention (*niyya*), the state tax levied on sheep was categorised as *zakat*. The Hanbalis and Imam Nawawi were among the classical jurists who supported this opinion.[87]

Although theoretically Al-Banjary was in favour of state enforcement of the *zakat* payment, as stated in his *Sabil al-Muhtadin*, this work does not give much information about the actual practice of *zakat* in nineteenth-century Banjar, as it is a book on *fiqh*.[88] The substance of the book is not significantly different from Ar-Raniri's *Sirat Al-Mustaqim* in terms of the legal opinion of the Shafii school. *Sabil Al-Muhtadin* only adds certain sub-chapters, gives a much more lengthy explanation in each sub-chapter, and systematises *Sirat Al-Mustaqim*.[89]

The last attempt to find *zakat* regulation will examine the Javanese Islamic kingdoms. There is no evidence of state regulation of *zakat* or of any

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[85] Zafry Zamzam, *Syekh Muhammad Arsyad Al-Banjary sebagai Ulama Juru Da'wah dalam Sejarah Penyiaran Islam di Kalimantan Abad 13 H/18 M dan Pengaruhnya di Asia Tenggara*, 2nd ed. (Banjarmasin: Penerbit Karya, 1979), p. 7. This information was mentioned in a *fatwa* issued by Al-Kurdi, though Zamzam does not state precisely which one; perhaps the *fatwa* is contained in "Qurrat al-'ayn bi Fatawa 'Ulama Haramayn'."

[86] The Ninety Nine Laws of Perak also stipulates this fine when explaining law number twelve regarding "rules applicable to officers in charge of a *mukim*." It says "if a man, after receiving notice, neglects to attend the Friday prayers, he should be fined half a *paha* of gold." Rigby and Wilkinson, "The Ninety Nine Laws of Perak."

[87] This opinion is found in Yusuf Qardhawi, *Fiqh Zakat*, Vol. 2, p. 1109.

[88] Shaykh Muhammad Arshad Al-Banjary, *Sabil al-Muhtadin li al-Tafaqquh fi amri al-Din* (Mekka: Al-Matba'ah al-Mirah: 1310/[1892]). The book is in the Malay language with Arabic script. As the book is a commentary (*sharh*) on *Sirat Al-Mustaqim* by Nuruddin Al-Raniri, the latter *kitab* is written in the outer edge of the pages of his book. The book was written in 1780 AD.

[89] For example, Al-Banjary adds to the chapter of *zakat* on merchandise to include *zakat* on mines (*ma'adin*) and treasure-trove (*rikaz*). Al-Banjary also changes the sequence of the explanation on beneficiaries of *zakat*, which is more common in other books of *fiqh*.

state role in *zakat* collection. Two early Javanese sources mention *zakat* in some places as an individual religious obligation with no relation to the state.[90]

Even though the fifteenth century Islamic kingdoms were ruled by *'alim*-sultan,' there was still no evidence of state administration of *zakat*. Nor is there much evidence regarding the seventeenth century Islamic kingdom of Mataram, whose famous Sultan Agung (r. 1613-1646) was reportedly a pious sultan. According to Dutch emissaries, he used to attend Friday prayers, wore a *kuluk*, and was surrounded by Muslim advisers.[91]

The absence of *zakat* in Javanese legal texts probably reflects a separation between 'public law' and taxation matters. None of the Javanese legal books from the Mataram kingdom, such as *Undang-undang Mataram* (The Mataram Laws), *Surya-Alam*, *Nawala Pradata*, *Anger Ageng*, *Angger-Arubiru*, *Angger-Sedasa*, or *Angger Gunung*, mention anything about *zakat*.[92] All of these texts come from the centre of the Islamic Mataram kingdom from around the seventeenth and eighteenth centuries. Even the Javanese legal book *Agama*[93] dating from the sixteenth century does not include a provision on *zakat*. These Javanese legal texts only contain provisions regarding 'public law.' There is a possibility that Javanese legal texts follow the legacy of a pre-Islamic tradition, which excludes the provision of tax. Tax and land charters were issued specifically to individuals or groups.[94] This exclusion is probably because those legal texts are based on non-Islamic precepts. I have found no case of a Javanese ruler imposing the implementation of Islamic rituals, except one case, namely on Islamic lifestyle. In 1731, Pakubuwono II, a Javanese ruler of Mataram (r. 1726-1749)—whom according to Ricklefs was a monarch who implemented Sufism—forbade all kinds of gambling except cock-fighting.[95] This type of Javanese monarch would tend to focus on ethical practices such as forbid-

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[90] See for example, *An Early Javanese Code*, p. 17 on payment of *zakat*, and *The Admonitions*, pp. 90-3 on *zakat* and giving *sedekah* in secret.

[91] Ricklefs, *Mystic Synthesis*, p. 71

[92] See these legal books in the thesis of Raden Mas Dr. Mr. Soeripto, *Ontwikkelingsgang Der Vorstenlandsche Wetboeken* (Leiden: N.V Boek-en Steerdrunkkerij Eduard Idjo, n.d).

[93] See the text in M.C. Hoadley and M.B. Hooker, *An Introduction to Javanese Law A Translation of an Commentary on the Agama* (Arizona: The University of Arizona Press for the Association for Asian Studies, 1981), hereafter *Commentary on the Agama*.

[94] *Commentary on the Agama*, p. 26. Another book for consultation is M.B. Hooker, *A Concise Legal History of Southeast Asia* (Oxford: Clarendon Press, 1978).

[95] It is interesting that the ruler remained tolerant towards the Javenese tradition of gambling. See Merle C. Ricklefs, *The Seen and Unseen Worlds in Java, 1726-1749, History, Literature and Islam in the Court of Pakubuwana II* (Honolulu: University of Hawai'i Press, 1998), p. 166.

ding drinking and gambling rather than on regulating Islamic rituals such as *zakat*. It seems that the non-orthodox mainstream of Islam prevented this kind of coerced Islamisation by the ruler in Java.

At this stage, we have a few examples of Islamic kingdoms which tried to manage *zakat* under the state. In the Aceh case, perhaps, this happened during the time of Sultan Alaudin, Sultan Iskandar Muda and Sultan Iskandar Thani. The two former sultans were strong and concerned with Islamisation, whereas the latter was in favour of a literal interpretation of Islam.

Although there is no other evidence on how widely the practices of *zakat* and *fitrah* were implemented in Aceh, these practices were found everywhere in Aceh and other Muslim communities late in the nineteenth century, when the power of the Acehnese kingdom fell into the hands of local rulers (*uleebalangs*), leaving *zakat* in the hands of *'ulama*. While local rulers benefited from tax and *'ushr*, the local religious functionaries known as *teungkus*[96] benefited from *zakat* and *fitrah*, which were paid voluntarily.[97]

This speculation is supported by reports from the nineteenth century that *zakat* and *fitrah* became an individual matter, whereas *'ushr* was not "religious" any more. Taxes that were previously levied by the kingdom were continued by the Dutch colonial government in the nineteenth century.[98] As I will show in the next chapter, the government did not deal with *zakat* matters, as *zakat* had become a voluntary practice like *sedekah*.

Sedekah *as a Complement to Local Charity*

Royal charity featured more obviously in *sedekah* than in *zakat*, whether it was for religious purposes or not. Three Malay terms are used for giving and generosity, namely *derma, karunia* and *kurnia*, and *sedekah* itself. *Derma* means the same as *sedekah*, denoting material given such as food and money; *kurnia* means 'blessing,' mostly denoting non-material gifts such as honour and increase in social rank. The term *sedekah*, which is the form of Islamic charity mentioned in the Qur'an, was used in all local writ-

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96 *Teungku* is mostly used in Pidie and East Coast areas, while *teuku* is used in Aceh Besar. Both originate from the same word, *tuanku* (my lord). Snouck Hurgronje, *The Acehnese*, p. 70. *Teungku* is an honorific title for those who have achieved a certain level of Islamic religious authority, whereas *teuku* is a hereditary title of the old landed nobility.

97 Ibid., pp. 73-5.

98 For information on taxes in Aceh, see J. Kreemer, *Masalah Rodi, Penghasilan Kepalakepala Daerah Kenegrian dan Hukum Tanah di Aceh,* translated by Aboe Bakar (Banda Aceh: Pusat Dokumentasi dan Informasi Aceh, 1978).

ings in the Islamic kingdoms. This term was used more frequently than *derma* and *kurnia* in these local writings, whether Malay or Javanese.

Sedekah not only matched pre-Islamic practices of rulers giving to the poor (see above), but also practices of giving as a sign of royal power.[99] The recorded donors of *sedekah* were mostly kings, members of the royal family, and rich people. Many kings in the *Hikayat Raja Pasai*,[100] *Bustan as-Salatin, Adat Raja-raja Melayu,*[101] and *Sejarah Melayu* were described as generous, merciful, and bountiful, and were always praised for their gifts (*karunia*) and donations (*derma*). The recipients of their *sedekah* were the poor (*fakir*), the destitute (*miskin*), orphans (*yatim*),[102] and functionaries of the royal administration.

Sedekah as practised by the royal family consisted of three kinds. The first kind was given during life-cycle festivities, namely birth, the hair-cutting ceremony, marriage, and death.[103] This *sedekah* consisted of food and clothes, including jewellery, given to the poor. *Sedekah* on the occasion of the marriage of Sultan al-Malik al-Salih was given by the sultan himself to all *fakir* and *miskin*. For birth occasions, the *Hikayat Raja Pasai* tells a story about the wife of Sultan al-Malik Al-Salih who delivered a baby boy who later became Sultan Malik al-Tahir. The Sultan then organised big festivities (*perjamuan*) for seven days and nights prior to the day of *akikah*. "Then the Sultan provided charity (*derma*) and gifts (*kurnia*) to all of his ministries and generals and people big and small and all poor and indigent."[104]

Sedekah during street festivities comprised gold, silver, and jewels and was given by way of throwing gifts to the crowd.[105] *Sedekah* at the time of

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[99] See Milner, *Kerajaan*, pp. 45-7.

[100] This *Hikayat* tells stories about the kings of Samudra-Pasai kingdoms of the thirteenth century. The work is written in Malay. These stories are almost the same as the stories about the Samudra-Pasai kingdoms mentioned in the *Sejarah Melayu*. I use *Hikayat Raja Pasai* edited by Russell Jones. His edition is based on Raffles' manuscript which was copied in Jawi script in Demak in 1814. *Hikayat Raja Pasai*, edited by Russell Jones (Selangor: Fajar Bakri, 1997).

[101] Panuti H.M. Sudjiman, ed., *Adat Raja-raja Melayu* (Jakarta: Universitas Indonesia, 1982).

[102] These terms denote the recipients of *sedekah* mentioned in the Qur'an.

[103] Circumcision festivities may also be included. However, I haven't found this mentioned in local sources.

[104] *Hikayat Raja Pasai*, pp. 18-9.

[105] One example is Ar-Raniri's observation regarding a festivity in the reign of Sultan Iskandar Thani described as follows: "At the festive parades in streets, donations were thrown about, among them was a lot of gold, silver, and jewels. So people were competing to get *sedekah* from the honorable king." *Bustan as-Salatin*, p. 64.

Sultan al-Malik al-Salih's wedding ceremony was given as *karunia* to all generals and as *derma* to all the needy (*fakir-miskin*).[106] This *sedekah* was even given during royal funeral ceremonies. One of the great funeral ceremonies described by Ar-Raniri was that of Sultan Iskandar Thani 'Alauddin Mughayat Syah, later called Marhum Darussalam (r. 1637-1640):

> Do make a procession for the King of Nishan Daru's-Salam to the Daru'd-Dunia graveyard!" So donations of the Paduka Marhum (deceased king) were handed out; gold and silver, and several chunks of gold were thrown around, including rubies, diamonds, and dust gems (*pudi*) and other kinds of gems. Those who got them became prosperous. [107]

Donations at funerals consisted of precious gold and silver which were thrown at the crowd. The donations were regarded as important, given on behalf of the deceased person to perform final acts of charity. Another possibility is that the belongings of the deceased person were given away in order that other people would remember the deceased, and to help the family members to forget their sadness. These donations were given on behalf of the deceased person and, in the above case, were distributed by his wife, Seri Sultan Taju'l 'Alam Safiatuddin Syah, who managed the funeral ceremonies. This kind of donation is a custom in Malay societies in North Sumatra up to the present day, the value of donations depending on the social and economic status of the deceased's family.

The second type of *sedekah* was personal religious giving by the king. The most popular kind was a *sedekah* every time the king went to perform the Friday prayers. This kind of *sedekah* was practised by several sultans, including Al-Malik Al-Zahir of Samudra Pasai, and Sultan Iskandar Muda.[108] No further description can be found of this Friday *sedekah*. Surprisingly, *Adat Aceh* does not mention this *sedekah* when describing the king's custom of going to Friday prayer.[109] This act—of going to Friday prayer—is something that shows the king's dignity, religiosity, and generosity.

The third type of *sedekah* was giving food. This occurred during many kinds of events, especially in feasts (*perjamuan*) where rulers invited their fellow citizens. Food charity was a kind of expression of the ruler's solidar-

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[106] "Hence the king was married to Princess Genggang. After the ceremony, the king gave his *kurnia* to all of his ministers and gave gold and silver donations to all *fakir* and *miskin* of the Samudra country ... ." Shellabear, Sějarah Mělayu, p. 56.

[107] *Bustan as-Salatin*, p.69.

[108] *Bustan as-Salatin*, p. 36.

[109] See *Adat Aceh*, pp. 64-7.

ity with his subjects in times of great celebration[110] or difficulty. To some extent, this charity was used as a symbol of the ruler's interest in his/her subjects in order to win their loyalty. Just as with donations at funerals, this food charity is a tradition that has survived up to the present day, especially during Ramadan and *'Id al-Fitr* celebrations. Among ordinary people, this food generosity seems to reflect solidarity rather than a patron-client relation.

Another kind of giving, namely gifts between kings, was a universal custom. There are many accounts of this kind of giving between royal families, courts, and kingdoms. These gifts were called presents (*hadiah*), and most of the time they were given between rulers for their political symbolism. As they were an exchange of gifts among the rich, with few implications for charity, this section does not discuss them.[111]

All the above describes the practice of *sedekah* in the early period of Islam in the archipelago. Although this picture describes the court, it may to some extent represent the way *sedekah* was practised by ordinary people. The practice of *sedekah* is given more religious meaning than the practice of *derma* or *kurnia* and in this regard, Islamic charity has been added to and combined with existing local practices of charity in Indonesian Muslim communities.

Sedekah was clearly seen as a leading form of royal charity. Unlike other Islamic kingdoms that use *waqf*, rulers in the archipelago made use of *sedekah* in order to win loyalty from their people. Therefore there were shows of generosity and welfare for certain events including funerals where public celebrations were held, where food, drinks, clothes, and jewellery were provided generously to the people. Charity was clearly used also for strengthening patron-client relationships between the rulers and their clients such as generals, ministers and servants.[112] Food charity became a tradition encouraged by both the Islamic teaching of *sedekah* and the patron-client system. In addition, food charity, including the incorporation

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[110] Shellabear, *Sějarah Mělayu,* p. 57, *Hikayat Raja Pasai*, pp. 22, 25. *Hikayat Raja Pasai* uses *perjamuan* for many occasions, including life-cycle celebrations and celebrations of war triumphs.

[111] For example, *Tuhfat al-Nafis* (The Precious Gift), explains that Raja Ahmad of Riau went to perform the *hajj* in 1828 together with ten other people at a cost of 14,000 dollars. 10,000 of these dollars were supplied by his sister Engku Puteri. Raja Ali Haji Ibn Ahmad, *The Precious Gift* (*Tuhfat al-Nafis*), annotated and translated by Virginia Matheson and Barbara Watson Andaya (Kuala Lumpur: Melbourne, 1982), p. 248. Hereafter it will be called *Tuhfa Al-Nafis*.

[112] The importance of food charity has been discussed by Miriam Hoexter, *Endowments, Rulers and Community Waqf al-Haramayn in Ottoman Algiers* (Leiden: Brill, 1998), p. 157.

of food into ritual celebrations was very significant as mutual assistance in the economy of the archipelago.

Mosques and the Waqf *Tradition*

Zakat and *sedekah* documents and evidence on *waqf* are very limited. There is no document depicting how *waqf* operated in the thirteenth to eighteenth centuries though this is perhaps not surprising because the tradition of keeping and recording *waqf* documents in Indonesia even today is poor.[113] This section questions why *waqf* was not popular compared to *zakat* and *sedekah* practices.

The term *waqf* is rarely mentioned in local writings or in the writings of foreign travellers before the nineteenth century. Among Malay legal books, only the *Pahang Laws* mention regulations *waqf*, namely in regulation no 42 on gifts.[114]Among the few *waqf* instances mentioned in local writings are *waqf* of books, ships, wells, and hostels, but not mosques. However, those writings point to the presence of mosques as the most significant object of *waqf*, or the main usage of *waqf* estates. From the earliest stages of Islamic kingdoms, mosques were established as symbols of these kingdoms.

Most local sources show that mosques were established by two groups, namely rulers and religious leaders, and sometimes by a combination of both. *Bustan as-Salatin* and *Hikayat Aceh* mention that the Sultan not only built a great mosque in the centre of his kingdom, but also established about a hundred others in regional Aceh.[115] The tradition of having a great mosque in the capital continued for several centuries, in almost all Islamic kingdoms. Moreover, in the Islamic kingdoms of Java, there was the cosmological concept that the main mosque should be established on one of the four sides of the great square to the north of the royal palace, usually

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[113] Since the majority of *waqf* property is non-productive land, there is less expectation to find detailed *waqf* documents that mention its beneficiaries, profits, and management. According to data of the Ministry of Religious Affairs, the majority of *waqf* (land) in Indonesia is unregistered and uncertified as *waqf* land. Daftar wakaf di Indonesia tahun 2004, data provided by the Directorate Waqf of the Ministry of Religious Affairs, 2005.

[114] It states as follows: "A *waqf* endowment may consist of crops or immovable goods of permanent use, and the usufruct may belong to children and grandchildren alive and born afterwards; nor it is to be confined to one individual but belongs to all." See Kempe and Winstedt, *Malay Legal Digest of Pahang*, p. 10.

[115] *Hikayat Atjheh*, p. 166. See the quotation of *Bustan as-Salatin*, p. 72.

on the Northwest side, so that prayers faced Mecca.[116] Some of these mosques still exist today, for example in Banten, Cirebon, and Yogyakarta.

Local rulers also played a great role in establishing mosques. Tomé Pires mentions that the Muslim *pate*s (*patih*, or local rulers) of the northern coast of Java established mosques which attracted *mullahs*.[117] Although only a few mosques are mentioned in the political history of Islamic courts in Java,[118] almost all Islamic courts of fifteenth and sixteenth-century Java must have had them. Most of these courts, including Demak, Pati, Kudus, Jepara, Cirebon, Banten, Jipang, Tuban, Gresik-Giri, Surabaya, Madura, Pasuruan, and Pajang, were led by a sovereign who was a religious leader; and some courts were also regarded as centres of Islamic studies, such as Demak and Giri. The other group to establish mosques was that of religious leaders. According to tradition, the great mosque in Demak was established by the *wali*s of Java.[119] As Islam spread to local areas, local rulers and religious leaders became the main builders of mosques.

However, one important aspect recorded in these accounts is the role of Muslim societies which established their own village mosques voluntarily. The ruler established mosques, but probably their number was limited to the big cities. The majority of mosques in Muslim communities were most likely established by Muslim villagers through *waqf* endowments, communal donations and voluntary work. This is the tradition that survives today. Milner cites a few travel accounts which mention that a mosque was built voluntarily whenever a Muslim village was formed.[120] The account shows that mosques functioned as public space. They were established by the village community to be used at least for communal prayers and religious teaching. Although this account refers to the Sumatran area of the nineteenth century, presumably this was a custom that continued from the previous centuries.[121]

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[116] However there are exceptions such as the Kartasura royal palace. The Kauman, the residence of religious officials that was usually placed close to the main mosque, was to the Southeast of the royal palace, and it is not clear where the main mosque was located. See M.C. Ricklefs, *War, Culture and Economy in Java, 1677-1726: Asian and European Imperialism in the early Kartasura period* (Sydney: Asian Studies Association of Australia in association with Allen & Unwin, 1993), p. 405.

[117] Cortesão, *The Suma Oriental of Tomé Pires*, vol I, p. 182.

[118] H.J. De Graaf and Th. G. Th. Pigeaud, *De Eerste Moslimse Vorstendommen op Java. Studien over de Staatkundige Geschiedenis van de 15de en 16de Eeuw* ('s-gravenhage: Martinus Nijhoff, 1974).

[119] Ibid., p. 30.

[120] Milner, *Kerajaan*, p. 6.

[121] It was also a custom in Javanese villages in the nineteenth century. See Chapter 3, Section Five.

It is difficult to determine the number of mosques and other *waqf* properties in the archipelago, even in Java, during the rule of Islamic kingdoms. A historical study of *waqf* by Rachmat Djatnika, which relied on certain significant but questionable data, reports that in East Java the number of *waqfs* increased in consequence of the expansion of Islamisation and the political situation.[122] In sixteenth-century East Java, there were six registered *waqfs*, five of them were mosques, or mosques with cemeteries, and one of them was a cemetery. In the seventeenth century, the number increased by seven. In the eighteenth century it increased by 66 and in the nineteenth century by 303.[123] As these figures refer only to registered *waqf* estates, and given the paucity of evidence from these centuries, it is not surprising that they seem very low and at odds with the expansion of Islam in the area, especially in reference to the travel account cited by Milner above. Even today the number of unregistered *waqf* estates remains large. Neither oral history nor official records written by the Dutch officials count all mosques as *waqf* other than those which are clearly stated as *waqf* mosques and there is the possibility that people might have had an instinctive sense or awareness of the *waqf* status of mosques without needing to qualify them explicitly with the term "*waqf*." Perhaps this is a reason for the rare occurrence of the term in local sources.

Mosques were the main form of *waqf* from the thirteenth to the sixteenth centuries, the early stage of Islam in the archipelago. Other kinds of *waqf* existed, but not much beyond land (for mosques and religious schools), irrigated lands, cemeteries, and trees. Djatnika's study shows that *waqf* of irrigated lands (*sawah*)—from which revenues were given for mosques and religious schools)—existed in East Java from the eighteenth century. From time to time, the percentage of irrigated lands was very small[124] and this condition is very different from the development of the institution of *waqf* in Egypt and other countries in the same century, as outlined in Chapter 1.

Only in the eighteenth and nineteenth centuries did *waqf* of hostels start to exist, endowed by rulers from different regions of the archipelago. These endowments were not in Indonesia but in the holy cities of Mecca and Medina.[125] The ruler of Riau, Raja Ahmad, endowed four *waqfs*: one

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[122] Djatnika uses three sources: data from the Office of Religious Affairs of East Java province, Offices of Sub-Districts (*kecamatan*), and resources from the heads of villages. Rachmad Djatnika, "Les Biens De Mainmorte (Wakaf) A Java-Est" (Ph.D. dissertation, École des Hautes Études et Sciences Sociales Paris, 1982).

[123] Ibid., pp. 77-108.

[124] Ibid., pp. 309-26.

[125] It is important to note that both *Sirat al-Mustaqim* dan *Sabil al-Muhtadin* mention that among the best *sedekah sunnah* (recommended giving) are donations in good places,

was a hostel in Medina for the descendants of Muhammad bin 'Abd al-Karim al-Samman (who became famous as Shaykh al-Samman, 1718-75); two were houses in Mecca which were supervised by the Shafi'i Mufti; and one was a piece of land in Mina for the establishment of a hostel.[126]

There were other rulers who established *waqf* institutions, and Snouck Hurgronje, in his work *Mecca*[127] portrayed these *waqfs* as endowments that benefited the so-called Jawa community—immigrants and students who resided in the holy cities. These rulers not only endowed the establishment of these *waqfs* but also the maintenance of the buildings. All of the *waqfs* were dormitories—mostly for the *dhuyyuf ar-Rahim,* "the guests of God" coming from different regions of Indonesia to perform the *hajj*. Snouck Hurgonje mentions other *waqf* hostels or dormitories, which were named after the region for which they were given. Famous dormitories included those for Acehnese, Bantenese, and for people from Pontianak, which—as in the case of Riau—were based on *waqf* from sultans of these respective regions. In 1879 Hamengkubuwana VII also had such accommodation built in Mecca.[128] Some of the *waqf* dormitories were established with donations from shaykhs who assisted Indonesian Muslims to perform the *hajj*.[129]

Another kind of *waqf* found in the Indonesian archipelago was that of books and ships. The *Sajarah Banten* describes Sultan Maulana Muhammad (son of Sultan Maulana Yusuf) endowing *waqf* books during his reign.[130] In one version of *Taj al-Salatin*, the copier wrote that the book was a *waqf* given to a king.[131] *Sajarah Banten* mentions the *waqf* of ships in a story about a delegation from Banten which went to Mecca on a ship given as *waqf* by Sultan Akbar.[132] This ship was most likely the Ilahi ship which was specifically contributed by the Mughal Sultan Akbar (r. 1556-1605) to

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such as Mecca and Medina.

[126] *Tuhfa al-Nafis*, p. 251.

[127] C. Snouck Hurgronje, *Mecca in the Latter Part of the 19th Century. Daily Life, Customs and Learning the Moslims of the East-Indian-Archipelago,* translated by J.H. Monahan (Leiden: Brill, 1931), p. 255

[128] M.C. Ricklefs, *Polarising Javanese society: Islamic and other visions, 1830-1930* (NUS Press, the University of Hawai'i Press and KITLV, Leiden, 1995), p. 69.

[129] Snouck Hurgronje, *Mecca*, p. 255. Snouck Hurgronje also mentions a Jawi of Acehnese origin who was about to leave for Aceh in 1890 for fundraising for the establishment of *waqf* in Mecca. Cited from Nico Kaptein, *The Muhimmat Al-Nafa'is: A Bilingual Meccan Fatwa Collection for Indonesian Muslims from the End of the Nineteenth Century* (Jakarta: INIS, 1997), pp. 10-11.

[130] Hosein Djajadiningrat, *Tinjauan Kritis tentang Sajarah Banten, Sumbangan bagi pengenalan Sifat-sifat Penulisan Sejarah Jawa* (Penerbit Djambatan and KITLV, 1983), p. 39.

[131] This sentence appears only in the version found in Batavia in the Javanese translation of the manuscript. *Taj al-Salatin*, p, xii.

[132] *Sajarah Banten*, p. 39.

serve the official pilgrimage caravan each year to Mecca from 1576 onwards.[133] Although this story had no close relation to the *waqf* in Banten, the Bantenese were supposed to learn about *waqf* from this contact. The same possibility relates to the Sultan of Banten's endowment of a dormitory in Mecca. The *waqf* books mentioned above may have become known through contacts with Mughals and more significantly with the Ottoman Empire in the sixteenth century, the Ottoman Empire being well advanced in the practice of *waqf*.

Unfortunately, all of this information mainly deals with the "high" tradition of *waqf* among rulers. In the case of *waqf*, however, there is a strong possibility that this "high" tradition also represents or mirrors the "low" tradition, because *waqf* is generally free from the interference of government or state, although it is not free from state interest. It can be deduced that *waqf* in Indonesia was not as well developed as in other centres of the Islamic world. Although mosques were probably abundant in number, their establishment was mainly through communal voluntary work and donations called *gotong royong* (working together), which were erected on communal lands belonging to villages or *waqf* lands. In addition, the nature of *waqf* establishments indicates social and religious purposes. To support these premises, I will give more available data on *waqf* in the nineteenth century in Chapter 4.

Conclusion

Islamic philanthropy must have been introduced to the Indonesian archipelago at the same time as Islam. It became stronger as the influence of Islam increased. *Zakat, sedekah* and *waqf* were practised and used not only as a religious obligation but also for political ends. *Zakat*, in particular, was practised as a religious tax levied by the state (and became a "non-religious" tax) as well as a voluntary charity done by Muslims without involv-

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[133] After the Mughals' conquest of the Sultanate of Gujarat in 1574, there was direct access from the west coast port of Surat to Jeddah. The sultan not only financially supported this official pilgrimage each year, but also sent a large sum of charity. One of his charities that I suggest is typical of Ottoman tradition is the use of *waqf* as part of the politics of colonisation. The sultan enlarged the *waqf* established by the last sultan of Gujarat in several coastal villages from which the revenues were sent as donations to Mecca and Medina. See John F. Richards, *The Mughal Empire*, p. 31. However, the donations from Sultan Akbar were then stopped by order of the Ottoman sultan who was not happy with Akbar's religious policies, which included abolishing public prayer and the call for prayers (*azan*). See Farooqi, *Mughal-Ottoman Relations*, pp.19-20.

ing the state. These practices were not different from other parts of the Islamic world.

Rulers with an orthodox orientation tended to use *zakat* as a state tool to force Islamisation on their subjects. The majority of rulers, however, did not impose *zakat* as a state regulation but rather left it to be practised voluntarily. In the Sultanate of Banjar the ruler imposed tax rather than *zakat* in order to get more state revenue. In many circumstances, however, *zakat* was encouraged.

Pious rulers who paid *zakat* and *fitrah* and who endowed *waqf* encouraged the practice of Islamic philanthropy in the archipelago. We may be confident that state collection did not obliterate the private giving of *zakat* and *fitrah* even though that cannot be documented from these early centuries. Scant information prevents any discussion on state civil society relations in this stage, but may see potential mosques, *sufi* orders, and local religious leaders as entities which safeguarded people's interests. Islamic philanthropy was practised by Muslim communities in a private voluntary way, rather than as an obligation to the state.

PART TWO

ISLAMIC PHILANTHROPY UNDER NON-MUSLIM RULE

Whilst during the waning of Islamic kingdoms there was a Muslim civil society in existence, although at a low level, the question remains as to what happened to those civil society seedlings during the period of non-Muslim, colonial rule—a period which was known as being severe against Islamic movements.

This section of the book argues that under the strong Dutch colonial government, Muslim civil society strengthened and was modernised. This blessing is due in part to the character of Muslim social institutions, where philanthropy became an important factor, and also in part to the politics of Dutch non-interference with regard to religion and charitable activities. There was a 'privatisation' process and the transformation of *zakat* to become individual, voluntary giving, separated from the state management, was strongly supported both by Muslims and by the non-Muslim ruler, each with their own interest.

Pesantrens, mosques, and later, charitable committees and modern Muslim organisations, were civic centres of community philanthropy and were evidence of rising civil society—more specifically, Muslim civil society—and there were two types of philanthropic tradition that created two distinct civil societies: 1) rural reciprocity circled around *pesantrens*, mosques, and local traditional '*ulama*, and 2) urban modern institutions circled around Islamic Modernist organisations, pioneered by Muhammadiyah. These two had the same character—namely being independent from the state (although not totally) and aiming to Islamise society, not the state.

These two characteristics were a response to the social and political situation under the rule of non-Muslims, where interests of the state and society in terms of religion may be separated. Muslim society has a strong interest in religiosity, but the secular state tries to place that under individual, not public interest. However, a separation between 'public' and 'private' could not restrain religious expression and activities to remain under personal interest. The end of the nineteenth century and the beginning of the twentieth century brought a discourse on 'independency,' 'public money,' and 'private' voluntary activities, along with the growing Islamic philanthropic practices.

This section of the book shows that civil society may grow under the strong secular state, provided that the state does not involve itself with philanthropic and religious matters. Three variables—philanthropy, reli-

gion, and the secular state—have provided a breeding ground for the development of civil society. More than that, the philanthropic movement brought by the Modernist Muslims under this non-Muslim rule aimed to create a civil society without discrimination in respect of religion, group, and nationality. This highly civilised aim unfortunately became weak under an uncertain political situation and later under the reality of an Indonesian [Muslim majority] independent state.

CHAPTER THREE

ISLAMIC PHILANTHROPY IN THE COLONIAL PERIOD

This chapter discusses Islamic charitable practices developed in the nineteenth century, before the influence of Islamic Modernism.[1] It questions how Islamic philanthropy was practised under non-Muslim rulers who exercised a policy of non-interference with regard to religion.

It will show two striking features of Indonesian philanthropic practices in this period: their attachment to Islamic institutions and the fact that they were observed widely. These practices were the continuation of earlier ones developed before the nineteenth century and the chapter shows the process of the detachment of Islamic philanthropic practices, especially *zakat*, from sovereign administration to become voluntarily practised by civil society.

It will show the strong development of Islamic philanthropy that took place in the nineteenth century, due to the waning of Muslim states, the rise of the *'ulama* as an institution, and an endorsement by the Dutch administration. Under the Dutch colonial administration, practices of philanthropy became fully private, individual matters. While in most places the development of Islamic philanthropy succeeded because of weak governments, this period presents a different phenomenon: here the success of the development came because the strong Dutch government in Indonesia imposed a separation between religion and what were deemed matters of state, together with a high level of secularisation. This was not only because of its tradition, but also a pragmatical reason, as the majority of the Indonesian population was Muslim who did not want their non-Muslim ruler to tell them about their religion. This circumstance provided a significant space for the growth of Islamic philanthropic activities. Under the governance of the Dutch, the *'ulama* became prominent community leaders who developed *pesantrens* (Islamic boarding schools) and mosques as centres of Muslim religious and social activities. This chapter will show that both *pesantrens* and mosques were evidence of rising civil society and benefited education and social welfare. Apart from the role of *fiqh* and

[1] A case study of Pesantren Berjan will also discuss post-colonial and independence developments, as the *pesantren* is still operating to date.

'ulama, the Dutch government's role was also apparent in maintaining philanthropy as a private matter due to its general—though not absolute—policy of non-interference with regard to religion. This policy indirectly allowed the empowerment of civil society through philanthropy as it benefited education and social activities.

Knowledge of the practice of Islamic philanthropy during this period comes from local works and documents, studies by Dutch colonial officials, and oral history. Outstanding observations about philanthropy in the last quarter of the nineteenth century were made by C. Snouck Hurgronje (1857-1936), an adviser on Native and Muslim affairs for the Dutch Colonial Government,[2] through his reports, letters, and other writings.[3] More observations can be found in official documents from later officials of the Office of Native and Muslim Affairs. Additional information comes from *fatwas* and newspapers.

The expansion of Islamic philanthropy was very much due to the more frequent exchanges of Indonesian Muslims with the wider Islamic world and to the growth of the Dutch administration. These processes brought about stronger waves of Islamisation, as can be seen in the practices of *zakat*, *sedekah*, and *waqf*.

The ways in which charitable activities were privatised and institutionalised amid the rapid political changes are discussed in the first section of this chapter. I show that the *fiqh* (jurisprudence) on philanthropy and the role of the *'ulama* helped the formation of civic centres of community philanthropy, independent from the government. The second section shows the contestation between the government and the people in *zakat* matters, as is shown in a movement that took place to stop local rulers and chiefs from using and abusing *zakat* and *fitrah* funds. The third and fourth sections deal with *sedekah* and *waqf* that provided strong support for the establishment and continuation of *pesantren* (Islamic boarding schools) and mosques. As they are self-supporting, *pesantren* demonstrate a high

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[2] Snouck Hurgronje headed this office from 1899 to 1906.

[3] Snouck Hurgronje's accounts of Islamic philanthropy can be found in several of his works. The most important ones are in a collection of his letters published in *Nasihat-Nasihat C. Snouck Hurgronje Semasa Kepegawaiannya kepada Pemerintah Hindia Belanda 1889-1936*, vol 1-11. (Jakarta: INIS, 1991-1995). On *zakat* see *Nasihat-Nasihat,* vol 7, 1323-79; on *waqf,* vol 5, 903-13; mosque funds, vol 5, 853-78; on *perdikan,* vol. 5, 771-84; and about *penghulu* and mosque officials see vol. 5, 815-52. The books are translated from the Dutch version entitled *The Ambtelijke Adviezen van Snouck Hurgronje*, collected and edited by E. Gobee and C. Adriaanse. The digital version of the book has been published online by the Instituut voor Nederlandse Geschiedenis in <http://www.inghist.nl/retroboeken/snouck/> (accessed 9 March 2011).

level of independence from the state. The discussion of the philanthropic tradition of *pesantren* is illustrated with the example of Pesantren Berjan, a *pesantren* that was established in the nineteenth century and has survived to this day. The last section considers the case of mosque funds, which again reveals contestation between the government and the people.

Fiqh *and* 'Ulama*: Strengthening Islamic Philanthropy as Private Matters*

Practices of philanthropy are based on a certain understanding and knowledge that is preserved by two institutions: the *'ulama* and the books of *fiqh* (Islamic law), and the continuation, if not affirmation, of Islamic philanthropic practices has been based on their persuasive support. The role of the *'ulama*, along with their function in *zakat* collection and distribution and their right to obtain a part of *zakat* money, is to emphasise Islamic teachings. The teachings of the *'ulama*, including those on philanthropic practices, have been written down in books of *fiqh*, and these have been used as a resource for the implementation of Islamic *shari'a*. In Islam as it is practised in Indonesia, where orthodoxy has gained ground, studies and knowledge on *fiqh* are in high demand. Muslims regard the *'ulama* and *kyai*s as knowledgeable in all legal aspects of Islamic ritual, and therefore as authorities on *fiqh*. The more advanced the knowledge of *'ulama* on *fiqh* matters, the more respected they are among their *santri*s (pupils of *pesantrens*) and communities.

In the nineteenth century, it seems that *fiqh* was the most studied subject in *pesantren* and other institutions of religious learning.[4] An inventory of books used in *pesantren* recorded by L.W.C Van den Berg in 1886[5] shows the circulation of a wide range of *fiqh* books[6] overshadowing the number of works on Arabic grammar and mysticism. The majority of the *fiqh* books mentioned by Van den Berg are still being used at the present time, as can be seen in another inventory by Martin van Bruinessen,[7] these

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[4] Karel A. Steenbrink, *Beberapa Aspek Tentang Islam Di Indonesia Abad ke-19* (Jakarta: Bulan Bintang, 1984), pp. 153-8.

[5] L.W.C. van den Berg, "Het Mohammedaansche Godsdienstonderwijs op Java en Madoera en de daarbij gebruikte Arabische boeken," *TBG* 31 (1886) pp. 518-55.

[6] Among the popular *fiqh* books studied were *Tuhfah* [*Tuhfat al-Muhtaj*], the *Safinat al-Najaa*, *Minhaj at-Talibin*, *Fath al-Qarib*, *Fath al-Mu'in*, *Fath al-Wahhab*, and the *Majmu.'* Cf. Steenbrink, *Beberapa Aspek*, pp. 154-6, and Van den Berg, "Het Mohammedaansche Godsdienstonderwijs."

[7] Martin van Bruinessen, *Kitab Kuning: Pesantren dan Tarekat: Tradisi-tradisi Islam di Indonesia* (Bandung: Mizan, 1995).

being mostly elementary books belonging to the Shafi'i School of law. Along with works by Middle Eastern scholars, there were plenty of works by scholars from Indonesia, and almost all of the great *'ulama* of the seventeenth, eighteenth, and nineteenth centuries wrote books on *fiqh*.[8] Among the first book of *fiqh* produced in Malay was *Sirat al-Mustaqim* written by Nuruddin Ar-Raniri during his stay in Aceh.[9] It was later printed in one book together with *Shaykh* Arsyad Al-Banjary's *Sabil al-Muhtadin*.

The importance of *fiqh* education in the Malay world seems to indicate an effort to apply Islamic principles correctly, and this *fiqh* culture had two main consequences for philanthropy—namely the prevalence of *zakat* over *waqf* and the empowerment of the *'ulama*.

The prevalence of *zakat* can be clearly seen in the standard *fiqh* books that circulate widely in Indonesia. In these books (as in many others), *zakat* implementation occupies an important position, but *waqf* does not. The chapter on *zakat* is placed after the chapter on prayers, but a chapter on *waqf* is missing because the standard books stop at the chapter on pilgrimage. The order of the standard *fiqh* books goes from purification (*taharah*), to prayers (*salat*), almsgiving (*zakat*), fasting (*siyam*), and pilgrimage (*hajj*). *Sirat al-Mustaqim* puts a strong emphasis on these five subjects and less emphasis on additional subjects such as marriage and animal sacrifice.[10] The *Safinat al-Najaa*, a standard *fiqh* book which is popular in the *pesantren* milieu, does not have a chapter on *waqf* while a few standard *fiqh* books only give brief descriptions of *waqf*, and some do not mention it at all. This may be because *waqf* was considered to be only recommended, and not one of the obligatory deeds mentioned in the Islamic principles. The position of the chapter on *zakat*, which is after the prayer chapter, shows the importance of *zakat* as the third or the fourth principle of Islam. Indeed, few comprehensive *fiqh* books have a chapter on *waqf*. By way of example, the *Bidayat al-Mujtahid* by Ibn Rushd in three volumes has entire chapters on *zakat* and *fitrah*. However, it again does not have a chapter on *waqf*, although a brief discussion of *waqf* is given in the chapter on *zakat*. [11]

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[8] Azyumardi Azra, *The Origins of Islamic Reformism in Southeast Asia. Networks of Malay-Indonesian and Middle Eastern 'Ulama' in the Seventeenth and Eighteenth Centuries*, ASAA Southeast Asia Publication series (Honolulu: University of Hawai'i Press, 2004).

[9] Nuruddin Ar-Raniri, *Sirata l-Mustaqim*, edited by Abu Hanifah (Jakarta: Pusat Pembinaan dan Pengembangan Bahasa Departemen Pendidikan dan Kebudayaan, 1992).

[10] See Ar-Raniri, *Sirata l-Mustaqim*.

[11] Abu al-Walid Muhammad ibn Ahmad ibn Muhammad ibn Ahmad ibn Rushd al-Qurtubi al-Andalusi, *Sharh Bidayat al-Mujtahid wa'l-Nihayat al-Muqtasid*, sharh wa-tahqiq wa-takhrij 'Abd Allah al-'Abbadi (Cairo: Dar al-Salam, 1995).

In addition to this focus on *fiqh* books, their content must also have influenced the practice of *zakat* and of *waqf*. In fact, Shafi'i *fiqh* is quite strict compared to other schools, such as in matters of allowing the re-establishment of the *waqf*, the practice of cash *waqf*, and the payment of *fitrah* through foodstuffs. In all standard books *zakat* was clearly described as an obligation without giving more detailed discourse, or examples of cases. The books obviously mention the obligation to fulfil *zakat* and negative consequences when the law is broken. *Sirat al-Mustaqim* states, for example, "whoever refuses its compulsory aspect becomes an unbeliever (*kafir*)." "There is an obligation to fight whoever refrains from paying *zakat* and it is taken by force."[12] It is thus probable that the payment of *zakat* was practised by almost all Muslims in Indonesia, as the people's understanding of Islam was strongly based on the teaching of *fiqh*.

The opinions of jurists that are written in *fiqh* books, however, are for guidance only, and do not have legal power except when they are used or legalised by the ruler. In fact, the regulations on state-*zakat* management are not clearly emphasised in those books either. Therefore, as has been shown in the previous chapter, the Aceh sultanate was probably the only one among many other "pious" rulers and Islamic kingdoms to have emphasised the regulation of *zakat*.

The second effect of the importance of *fiqh* was the empowerment of the *'ulama* who were the transmitters and source of the *fiqh* culture. In *zakat* matters, the *'ulama* were the source of knowledge on issues such as how much *zakat* people should pay, when *zakat* should be given, and to whom it should be distributed. The need for *fiqh* learning, which was part of Islamisation, probably empowered the position of local and village *'ulama,* apart from the presence of supreme jurists or '*ulama* who were selected by the ruler to serve at a royal level. In each village there would be at least one religious person (*'alim*) who would deal with religious matters such as educating children, leading prayers, mosque maintenance, and funeral supports.

Apart from *fiqh* culture, the influence of *'ulama* as local leaders probably existed from the early period of the coming of Islam, and it is also probable that the growth of independent, local or village *'ulama* became stronger with the waning of the Islamic kingdoms and the disappearance of the *shaykh* Islam or sovereign judge (*qadi*). There were many kinds of local or village religious teachers and functionaries who dealt with various

[12] Ar-Raniri, *Sirata l-Mustaqim*, p. 161.

religious matters and who were given different titles, such as *kyai*, *teungku*, *kayim*, and *modin*. These local *'ulama* lived from voluntary payments made by the people, including *zakat* and *fitrah* and through this process, the practice of philanthropy led to the empowerment of local *'ulama.* The next chapter will show how *zakat* and *fitrah* were given as "salaries" to those local *'ulama.*

Contesting the Use of Zakat*: The Ruler and the People*

This section focuses on *zakat*, the management of which was contested by rulers and the people, and on the process of *zakat* becoming a private voluntary practice. Ordinary people and civil society presumably wanted to have freedom in the payment of *zakat*, while local rulers would mostly have wanted to use it for their benefit, such as in the establishment of mosques and public buildings, the payment of religious officials, and their own income. This section will discuss the voluntary payment of *zakat* and *fitrah*; the local rulers' exploitation of *zakat*, and the effort of the government to avoid the misuse of *zakat* money by its offices. All of these generally suggest that *zakat* and *fitrah* were practised as voluntary giving.

Among abundant local sources found in the nineteenth century—sources such as *Serat Centini*,[13] and *Babad Tanah Jawi* (the history of the land of Java)[14]—many indicate that both *zakat* and *fitrah* were regarded as individual obligations of Muslims. They were given voluntarily to the poor or to religious persons, and there is no mention of whether they were obligations imposed by the state or rulers (as state tax). In contrast to *sedekah*,[15]

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[13] The work is in Javanese and originally written in Javanese script. It was written at the instruction of Pangeran Adipati Anom, who later became king of Surakarta with the title of Sunan Pakubuwana V (r. 1820-1823). Serat Centini tells a story about the travel adventures of Sunan Giri's son and daughter when Sultan Agung of Mataram overthrew their kingdom. The book records stories, legends, traditions and culture of the people of Java. See M.C. Ricklefs, *Mystic Synthesis in Java: A History of Islamisation from the Fourteenth to the Early Nineteenth Centuries* (Norwalk: EastBridge, 2006), p. 195. I have used two versions of *Serat Centini*, the version of Kamajaya (1986) and Soeradipura (1912).

[14] *Babad Tanah Jawi* is in Javanese and the surviving versions are no older than the eighteenth century. I have used the version of Balai Pustaka, Batavia, 1936.

[15] The general meaning of *sedekah* is mentioned in *Serat Centini* (Soeradipura) canto 38 stanza 158, p 1/166, Canto 48 stanza 121, p.3/12, Canto 183 stanza 3, p. 5/197. *Serat Centini* Kamajaya Canto 302 stanza 3-4, p.4/202 states that *sedekah* is an act of goodness which will be taken into account in the hereafter even for unbelievers. *Sedekah jariyah* is mentioned in Centini Soeradipoera Canto 67 stanza 7, p.3/139. An example of food *sedekah* is mentioned in *Serat Centini* Kamajaya canto 34 stanza 54, p.1/110 as follows. "If I give *sedekah* to the poor and needy who find it hard to get food to eat, they come here, they take as they please.

which could cover any kind of giving, *gotong royong,*[16] and ritual or religious gatherings (*selamatan*),[17] *zakat* followed basic regulations. *Zakat* was strongly associated with the observation of the five Islamic Principles, and was usually described as the third principle, after the pronouncement of faith (*shahada*) and prayers (*salat*).[18] A rather formal and standard understanding of *zakat* and *fitrah* is found in the Serat Centini, for example, an encyclopedia of Javanese culture written around 1815. It notes that "*zakat* is paid once every year if it can be afforded," whereas "*fitrah* is paid each Hari Raya [*'Id al-Fitr*]."[19] The *Serat Centini* explains furthermore:

> Thirdly, it is compulsory to pay *zakat*, namely
> to give *sedekah* to the very poor,
> *fitrah* and also *zakat*
> according to the following calculation (*hisab*)
> If one gold weights one *tahil*[20]
> *zakat* is calculated at
> four *seka*[21]
> This becomes a purifier of what has been earned,
> as pure as what has been worn being offered
> no one will be concerned[22]

Zakat was understood as a means for purification of wealth and *fitrah* was understood as a *zakat* of the body or poll tax; its fulfilment was obligatory.[23] *Zakat* was understood to be given directly to the poor and the needy,[24] and

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I only take some rice to use for re-planting. That's how it goes, and that's why I cannot donate a ten cent coin."

[16] *Serat Centini* Kamajaya, canto 7 stanza 76.

[17] These were held to pray for certain aims, such as at birth and funeral occasions, where food is given generously. It also involved ritual offerings where food is given for the spirits of ancestors for the sake of the welfare of the community. See *Babad Giyanti* canto 117 stanza 8, p. 12/76. *Babad Tanah Jawi*, canto 39 stanza 55, p.5/74 line 55 and canto 161 stanza 14, p. 22/29. For *sedekah selamatan* or *kenduri* see Centini Soeradipoera Canto 67 stanza 14, p.3/139, Canto 69 stanza 7, p.3/152 and Centini kamajaya canto 388 stanza 7, p.7/166.

[18] Cf. *Serat Centini* (Soeradipura), Chapter 3, pages 58, line 136. *Serat Centini* Kamajaya, chapter 4/234 line 33, chapter 7/31 line 136. In some exceptional cases *zakat* was listed as the fourth principle of Islam, as mentioned in the *Serat Centini* (Kamajaya) chapter 11/40 line 47.

[19] Serat Centini (Kamajaya), Canto 66 stanza 14. (p.1/235).

[20] One *tahil* is about 38.601 gram.

[21] *Seka* is ¼ *real* or ½ *jompel*, or 10 gulden. The word *sekèku* originates from word "*uku*"; see J.F.C. Gericke en T. Roorda, *Javaansch – Nederlandsch Handwoordenboek*, vol I (Amsterdam, J. Muller; Leiden E.J. Brill, 1901), p. 67.

[22] *Serat Centini* Kamajaya, canto 376 stanza 139, pp 7/31.

[23] Serat *Centini* Kamajaya, chapter 3/26 and 12/269.

[24] Serat *Centini* Kamajaya, Canto 233 stanza 28, p. 3/249, and canto 376 stanza 139, p. 7/31.

so was *fitrah,* of which *santri* (religious pupils) were the common beneficiaries.[25] It seems that what *Serat Centini* writes is an idealised version of the teaching of *zakat* and *fitrah* which probably came from the *santri* circle. This contradicts the practice (as will be shown later) by which *zakat* and *fitrah* were mostly given to village clerics, rather than the poor.

References to *zakat* in those local sources are limited to *zakat* on crops (*zakat padi*) and *zakat* on gold.[26] In fact the term *zakat padi* was common since the majority of people worked as rice farmers, so it was almost taken for granted that *zakat* meant *zakat padi*. Local accounts corroborate the observations made by scholars and government officials that will be discussed below. In addition, however, observations made by scholars and government officials provide various terms and practices of *zakat.* In Javanese-speaking areas for example, C. Poensen came across *zakat kewan* (*zakat* due on animals), *zakat emas* (due on gold), *zakat arto* (due on money), *zakat bondo* (due on wealth), and—oddly—*zakat anak* (due on children).[27]

Although it is difficult to make generalisations about the way *zakat* and *fitrah* were performed, they have been practised by Javanese and Acehnese and also by Muslims in other regions of Indonesia.[28] While *zakat* was only observed by a few devout and rich villagers, the Acehnese and Javanese exaggerated the payment of *fitrah* because even poor households who had difficulty feeding themselves were reluctant not to pay it.[29] A government survey in Javanese residencies shows that people regarded *fitrah* as a way to redeem their sins so that they could celebrate *'Id al-Fitr*.[30] Therefore, I

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[25] *Babad Tanah Djawi*, canto 121 stanza 35-7, p. 15/36-7. *Poenika serat Babad tanah Djawi wiwit saking Nabi Adam doemoegi ing taoen 1647* ('s Gravenhage: M. Nijhoff, 1941).

[26] Such as in *Serat Centini* (Soeradipura), canto 31 stanza 83, p.I/69.

[27] C. Poensen, "Land en Volkenkunde van Neerlandsch Indie, Djakat en Pitrah," *Mededeelingen van wege het Nederlandsche Zendelinggenootschap; Bijdragen tot de kennis der zending en der taal-, land-, en volkenkunde van Nederlandsch Indie* (Rotterdam: M. Wyt & Zonen, Drukkers van het Nederlandsche Zendelinggenootschap, 1874). *Zakat anak* does not exist in the *fiqh* of *zakat*. It refers to the tradition of servitude. If someone had a lot of children, one in every let's say 15 children was given to work for a religious functionary. R.A Kern also mentions that *zakat anak* found in Aceh, Gajo, Sunda area, and Gresik. "Djakat Anak," *BKI* 103 (1946): pp. 547-53.

[28] For Snouck Hurgronje's accounts see note 3. References to *zakat* in islands outside Java can be found scattered in *Nasihat-nasihat* of Snouck Hurgronje and *Adatrechtbundels* ('s-Gravenhage: Institut voor Taal-, Land-en Volkenkunde van Nederlandsch-Indie, from 1911-1955).

[29] C. Snouck Hurgronje, *The Acehnese,* translated by A.W.S. O'Sullivan (Leiden: E.J. Brill, 1906), vol 1, p. 239.

[30] Snouck Hurgronje, *Nasihat-nasihat* 7, pp. 1351, 1360, and 1365.

will focus on the question of whether *zakat* and *fitrah* were regarded as an obligation for the state or the ruler. Based on the three following points, this section will show that *zakat* was observed as a form of a private giving

The Patron-Client Remuneration System

The payment of *zakat* and *fitrah* was mainly given voluntarily as part of a patron-client remuneration system. Therefore the main recipients were the clerics in the villages and also *penghulus*. Snouck Hurgronje finds that Acehnese paid *zakat* and *fitrah* mostly to village clerics, called *teungku*.[31] This payment was a kind of annual thanksgiving or "salary" for their services in performing funerals, taking care of mosques, and educating children. The *fitrah* payment from one household could be distributed among different persons. The *fitrah* of children were given to their Qur'anic teachers in *meunasah*, and those of babies to their traditional midwives.[32]

The personal observations of Snouck Hurgronje and C. Poensen,[33] and investigations by government officials[34] show that the same pattern existed in Java, where villagers in general had a choice regarding to whom they would give their *zakat* and *fitrah*.[35] Consequently, the main recipients of *zakat* and *fitrah* were actually village clerics, known by different terms and functions such as *kyai*, *modin*, *lebai*, and *kayim*, and including midwives.[36] Giving directly to the poor,[37] to scholars and students of religion (*kyai* and *santri*),[38] and to *penghulu*[39] became the second or third option. According to Poensen, people would divide their *zakat* or *fitrah* between

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[31] *The Acehnese* 1, p. 73. See footnote 43 below.

[32] *Ibid.*

[33] Poensen, "Djakat en Pitrah," pp. 1- 16.

[34] Snouck Hurgronje proposed an investigation by government officials in regencies regarding the practice of *zakat* and *fitrah*. His proposal is expressed in several exchanges with Governor General and Director of Home Affairs since 1893. When his proposal was accepted, he formulated several questions to be answered as can be seen in his letter dated 18 May 1902. *Nasihat-nasihat* 7, pp. 1354-7. Snouck Hurgronje summarised the result of investigation in his letter to the Director of Home Affairs dated 25 September 1904, ibid., pp. 1362-78.

[35] Staatblad 1905 differentiates into two main category receivers, namely "religious clergy" and religious scholars. Poensen's investigation also shows the voluntary aspect of *zakat* and *fitrah* practices. Poensen, "Djakat en Pitrah."

[36] Snouck Hurgronje, *Nasihat-nasihat* 7, pp. 1370.

[37] Ibid., p. 1363.

[38] Ibid., pp. 1347, 1352; Poensen, "Djakat en Pitrah," pp. 7-9.

[39] For Javanese *penghulu* see Muhammad Hisyam, *Caught between three Fires The Javanese Pangulu under the Dutch colonial Administration 1882-1942* (Jakarta: INIS, 2001). *Penghulu* formally became government officials in 1882 (Staatblad no 152).

both village clerics and *kyai*/*santri* if they found them living in their village. If there was also a *penghulu* in the same village, some of the villagers would divide their *zakat* and *fitrah* contribution between all three groups (village clerics, *kyai*, and *penghulu*); but villagers would not normally give to *penghulus*.[40] In this way, the ruler's influence was diminished and the people's loyalty went to their local religious leaders and teachers.

The payment of *zakat* and *fitrah* to village clerics and *penghulu* was done with a view to further distribution to the poor. These village clerics functioned as *zakat* managers (*amil*). However, in the statement of payment of *zakat* recorded by Poensen, there is no indication of this redistribution. According to villagers, the redistribution of *zakat* by the *penghulu* only happened in the past in certain areas. The beneficiaries, in this case, were the poor, orphans, and widows.[41] In Aceh, Snouck Hurgronje found that the payment of *zakat* and *fitrah* benefited the village clerics the most, because they had rights as *zakat* managers, and poor persons.[42] Since there was a lack of transparency in the distribution, most village *kyais* and *teungkus* received approximately half of the contributions. According to Snouck Hurgronje, the people in most regions understood these advantages but thought of them as a kind of annual honorarium for unpaid religious tasks performed by the village clerics.[43]

Payment of *zakat* and *fitrah* to *penghulu* was mainly performed by elites who resided in capital cities of regencies and districts. An observation on *penghulus* from the early nineteenth century mentions that *penghulu* earned their livelihood from *zakat* and *fitrah* payment of the population.[44] In Palembang, a ruling of 1832 on matters of mosques[45] regulated among other things the income, emolument, and exemption of native religious officials, from which *fitrah* was admitted as a significant income, including for *penghulu*.

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[40] Poensen, "Djakat en Pitrah," pp. 9-13.

[41] Poensen, "Djakat en Pitrah," p. 13.

[42] Snouck Hurgronje, *The Acehnese,* p. 232.

[43] In Aceh, *teungku*s were also expected to be paid from *fitrah* contributions for their performance in *traweh* (recommended prayers in the nights of Ramadan months). Ibid., pp. 73, 231. Snouck Hurgronje finds that the most certain incomes of *teungkus* are *fitrah*, *zakat*, fees from assisting marriage arrangement, fees for burial, and fees for assisting a head of village. Ibid, pp. 73-5.

[44] Thomas Stamford Raffles, *the History of Java* (Kuala Lumpur: Oxford University Press, 1978), vol 2, pp. 3-4.

[45] H.T. Damste, "Een Reglement voor de Regeling van de Mohamedaansche Kerkelijke Zaken in De Residentie Palembang uit 1832," *TBB* 34 (1908), pp. 213-21.

[Article 5]
1. The chief *penghulu* is paid by the government salary.
2. *Khatib* do not receive any salary, but they receive a share of marriage fee and *fitrah*.
3. The chief *penghulu*, *lebai penghulu*, *khatib*, and *bilal* receive incomes as an old tradition that has been written in Islamic teaching, where the people offer their *fitrah* payment voluntarily. These officials are free from servitude such as building bridges and roads, and guarding villages.
   a. The Allocation of *fitrah* in the capitals.

Fitrah usually consist of 3 *kati* and 6 1/4 *tahil* of rice per person, where each household gives 1 *gantang*. The allocation of *fitrah* income is as follows. Ten per cent is taken for the care of the poor and needy. 1/3 is taken for the *bilal*. The rest is divided by 2/3 for the *khatib* and 1/3 for *modin* and *merbot*.[46]

When *penghulus* formally became government officials in 1882, they were not allowed, by law, to obtain any benefit from *zakat* and *fitrah*. However, Snouck Hurgronje still found that the elites used to give their *zakat* and *fitrah* to *penghulus*,[47] the reason seeming to be because *penghulu* performed the same role as the village clerics, namely taking care of the capital mosques and other religious functions. In this respect, the payment of *fitrah* and *zakat* mainly remained voluntary and cannot be regarded as an obligation for the ruler.

Exploitation of Zakat *and* Fitrah

In contrast to this independent and voluntary payment, there were cases where *zakat* and *fitrah* were used for the ruler's interest and taken by force. This situation is portrayed in the *Muhimmat al-Nafa'is fi Bayan As'ilat al-Hadith* (Precious Gems on The Explanation of Questions about Current Topics), a collection of *fatwa* issued from the last quarter of the nineteenth century and intended for the Jawah (Malay) community.[48]

There were at least five almost identical questions put forward to authoritative *muftis* in Mecca in the last quarter of the nineteenth century which dealt with corrupt rulers who took *zakat* and *fitrah* by force for the

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[46] Ibid., p. 219.

[47] Snouck Hurgronje, *Nasihat-nasihat* 7, p. 1370.

[48] These are 130 *fatwas* written in both Arabic and Malay issued by at least four Muftis of Mecca on the basis of questions from the Jawah community. The collection was first published in 1892 in Mecca and was reprinted between 1906 and 1930s in Mecca, Cairo and Bombay. I refer to the 1892 edition introduced and presented by Nico Kaptein, *The Muhimmat Al-Nafa'is: A Bilingual Meccan Fatwa Collection for Indonesian Muslims from the End of the Nineteenth Century* (Jakarta: INIS, 1997), serial INIS XXXII. Fatwa number CI, CVII, and CXIV clearly mention that the rulers in Indonesia took *zakat* by force.

establishment of mosques or big houses. These *fatwas* are recorded in the *Muhimmat al-Nafa'is*, namely *fatwas* CI, CXIV, CVII, CIV, and IX.[49] Below I cite *fatwa* no CXIV which gives details of the exploitation.

> What do you say about half of the kings in Jawah country who wanted to establish a mosque for the Jum'at prayer? They collected the cost needed, namely from timber and stone, and other than this they asked each person, for example for two *riyal*, for the funding of the mosque. Half of the people voluntarily gave the money, the other half gave under pressure. Therefore, was it an obligation for the people to obey the kings who did such a work? In addition sometimes the kings collected *zakat* and *fitrah* and materials that should be given to the poor and destitute, to cover the cost of establishing this mosque. Half the number of people gave sincerely and voluntarily, however another half of the people gave because they were ashamed and afraid of the sultan. So, what does Islamic law say on this matter? Is the king obliged to return all the materials that he took from the people because the people are not happy over the first question, and to give back *zakat fitrah* for the second [question] to the poor and the needy? Then if the kings established a mosque in such a way, should it be used for prayers? And are there supposed to be Friday prayers there, or it is better to hold them at a field in the village surrounding the houses? Please give us the answer. May God the Lord of the Universe give you the reward. The answer: [There is] no obligation for the people to obey their kings on those acts in the way that was mentioned. The kings are obliged to return the materials they illegally took from the previous owner. It is not legitimate to attribute *zakat* for the mosque because *zakat* must be distributed to the legal beneficiaries. If a mosque is established in such a way, we still have to use it for prayers. Allah knows best. The Mufti Shafi'i, Shaykh Muhammad Sa'id.[50]

The *fatwas* clearly show indignation about the rulers who took *zakat* and *fitrah* by force. Although it was for a good reason, namely establishing mosques, the rulers' acts were regarded as wrong according to Islamic law. The members of Indonesian communities who raised the questions neither agreed nor were happy with the rulers' acts, as is implied in the five questions.

The kings in these five *fatwas* probably referred to local rulers—namely regents or regional kings of certain kingdoms who at the end of the nineteenth century had only spiritual and moral powers, not political and economic powers. These kingdoms probably included places like Aceh, Banten, Cirebon, Yogyakarta, Surakarta, and Pontianak, and Kaptein has shown that some *fatwas* referred specifically to the situation in Aceh and

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[49] Nico Kaptein, *The Muhimmat Al-Nafa'is*.

[50] *The Muhimmat Al-Nafa'is*, p. 180, *fatwa* no. CXIV.

Java.[51] This appears to be the case with the five *fatwas* concerning corrupt rulers.

The criticism in the *fatwas* focuses on the use of *zakat* and *fitrah* funds for purposes other than those they were originally meant for, the use of force to collect them, and their use as salaries for religious officials. The misuse of *zakat* and *fitrah* as salaries is mentioned in *fatwa* no CVII of the *Muhimmat al-Nafais*, as follows.

> What do you say about a country where the king sets up *imam*, *khalifah*, *bilal* and other officials in the country without any fixed payment? The people are only asked by the king to give *zakat* and *fitrah* to *imam* and *khatib* by force. The people give it; half of them out of fear and another half voluntarily. Are the people obliged to obey? And when *zakat* and *fitrah* are collected for the *imam* and *khatib*, and the king orders that they be distributed into nine portions by force? One portion is given to the king, one to leaders in the country, one to the imam, one to the *khatib*, one to a woman who washes other women's dead bodies, one to someone who summons for *zakat*, one for the poor and needy, one to students, and one for purchasing oil for the mosque and for renovating it when it needs repairs. Is the allocation adequate? What is the right allocation according to Islamic law? The answer. When a person gives his *zakat* to the *imam* (the king), he or she is free from his/her obligation. According to the Shaykh Islam in the Fath Al-Wahhab, a *zakat* giver is obliged to give *zakat* due on visible wealth, namely plants and fruits and animals if the king asked it. According to Bajirimi, if the king says to him that he should take *zakat* due for doing *maksiat* [sinful act], or the *zakat* owner knows about this, he is still obliged to give *zakat* to the king. Then he is free from his responsibility. Regarding invisible wealth, namely money, buried treasures, and commercial treasure, he is not obliged to pay the due to the king. It is not legitimate for the king to ask for [it].[52]

According to this *fatwa*, *zakat* and *fitrah* were levied by force and used as a salary payment for religious officials. The payment of *zakat* and *fitrah* as part of a remuneration system was found in many places in the nineteenth century. While in most parts of Java the payment was regarded as voluntary, this *fatwa* shows a case where the implementation was actually by force and it benefited local rulers. This *fatwa* probably specifically refers to Priangan residency, because the term *khalifah* (or *kalipah*) mentioned in the *fatwa* was typically used in Priangan[53] and the coercion of *fitrah* and *zakat*

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[51] Ibid., pp. 10-4.

[52] *The Muhimmat al-Nafa'is*, p. 177, *fatwa* no CVII.

[53] See G.A.J. Hazeu, "Korte Aantekeningen over Kaum Toestanden en Moskeekassen," Collection H 1083, no 52, KITLV. It consists of a copy of letter and report of investigation

was also found in that area. The distribution of *zakat* and *fitrah* into nine portions above is probably also in reference to Priangan. Above all, the *fatwa* was a critique of, and resistance against, the way *zakat* and *fitrah* were being collected and disbursed. This type of critique might come from Reformist Muslims who sought a proper implementation of *zakat* and *fitrah,* and aspired to benefit the poor, not the religious functionaries, or even the rulers.

Apart from these probabilities, the viewpoint of the persons who sought the *fatwa* was similar to that of the Dutch government—namely, that there should not be coercion in the practice of *zakat* and *fitrah*.

Dutch Government Policy

Indeed, the Dutch government knew that some of native rulers and *penghulus* enforced and exploited the payment of *zakat* and *fitrah* and it aspired to prevent coercion and keep *zakat* and *fitrah* as voluntary donations, at least from 1858. Although some natives may have seen this as government interference with religion, the Dutch government actually tried to stop its officials from such interference and from getting profit from *zakat* and *fitrah*, on the basis that coercion became a burden for the people and that religion was regarded as a private matter. It tried to implement a policy of neutrality and non-interference in religion, although in many cases it was inconsistent.[54] Separation of religion and the state is difficult and is not fully or strictly applicable in a society where religious rituals and activities were perceived as a public matter.

The government policy not to intervene with Islamic charities can be seen in the government's regulations, such as Bijblad no 407 of 1858, prohibiting the use of *zakat padi* for the maintenance of a hospice of syphilis

about condition and management of mosque funds. Only reports from various regencies in Priangan use the term *kalipah* to denote vice *penghulu* or *penghulu naib*.

[54] Aqib Suminto, *Politik Islam Hindia Belanda: Het Kantoor voor Inlandsche Zaken* (Jakarta, LP3ES, 1985) mentions various examples of inconsistency and a not-so-neutral policy of the Dutch administration. I agree that the Dutch administration was inconsistent and discriminatory, as for example in the case of the provision of subsidies to religious groups. In fact, native Muslims were not free either from inconsistency of applying the term "non-interference." Much opposition to the Dutch government's policy with regard to interference in religion was more concerned with its administrative aspects than the religious ones: such as the government proposal on marriage law, supervision of mosque funds, and proposal to move Islamic inheritance from an Islamic court to a civil court. These are administrative managerial aspects, not examples of religious interference.

and ophthalmic sufferers,[55] Bijblad no 1892 of 1866 on *zakat* contribution,[56] Bijblad no 6200 of 1905 on the income of *zakat* and *fitrah* and its supervision,[57] and Missive no 1962 dated 4 August 1893. There are several reasons mentioned in the government decisions, which focus on two issues: the burden to the people and the danger of corruption/malpractice. For example, the Bijblad of 1858 states:

> Such a decision about a part of the *zakat padi*, raised for the unfortunate and needy, would have the consequence not only that many others who are needy, who cannot provide for themselves, would become a burden upon the population, but also that thereby one would lay hands on an impost paid by the population out of religious duty.[58]

Bijblad 1866 mentions the issue of corruption and states that "*zakat* income, which originally was religious generosity, in many places became corrupted through interference from local officials and became a form of repression, because it was used to cover needs which actually lay outside its purposes."[59]

Snouck Hurgronje stressed the situation where *zakat* had been practised by coercion, and where it was regarded as a "hidden tax" which became another burden for the people.[60] He was determined to implement the policy that the central government should keep *zakat* and *fitrah* as "a totally voluntary donation."[61] Therefore, the Staatblad 1905 mentions that the government policy was "to protect individual freedom from any coercion in the payment of *zakat* and *fitrah*, and in the choices to whom *zakat* and *fitrah* is given."[62]

The government's concern was mainly based on the collection of *zakat* and *fitrah* in Priangan residency, where native officials enforced and took benefit from the payment. According to Snouck Hurgronje, the total contribution of *zakat* and *fitrah* payment in this residency was large, compared to Banten, Central Java and East Java.[63] The reasons, according to him, were

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55 *Bijblad op het Staatsblad van Nederlandsch Indie*, No 261-500, vol 2, ed. Mr. S.C.H. Nederburgh and C. De Waal (Batavia, Lange & Co, 1858). It will be referred to as Bijblad 1858.

56 *Bijblad op het Staatsblad van Nederlandsch Indie*, No 1782-2008, vol 9, edited by Mr. H.A. de Groot and Mr. H.J. Canter Visscher (Batavia: Lange & Co, 1867).

57 *Bijblad op het Staatsblad*, No 6135-6330, vol 39 (Batavia: Landsdrukkerij, 1906).

58 Bijblad 1858.

59 Bijblad 1866.

60 Snouck Hurgronje, *Nasihat-nasihat* 7, p. 1375.

61 Ibid., p. 1374.

62 Staatsblad 1905.

63 Snouck Hurgronje, *Nasihat-nasihat* 7, p. 1352.

that Priangan was more prosperous compared to the three other regencies, that the people were considered more diligent and, most importantly, that the collection of *zakat* and *fitrah* was pushed by native officials.[64] The payment to these native officials was actually not given directly from villagers, but via village clerics, who gave a certain portion to village chiefs as a gift in return for their help in encouraging people to pay *zakat*. They also gave a similar portion to district *penghulu* (called *penghulu naib*), who then gave a portion to the *penghulu landraad* in the regency.[65] A native official of Cirebon district claimed that without their support, the payment of *zakat* and *fitrah* would not be significant,[66] a claim that made Snouck Hurgronje more concerned. Therefore, *penghulu* in Sunda (Priangan) area received a share of *zakat* and *fitrah* as a gift from *'ulama* at lower level. The *'ulama* may have considered that village chiefs and *penghulu* also had a right to receive the money because, to some extent, they worked for the collection of *zakat* and *fitrah*.

The government banned any kind of coercion and interference by the Staatblad 1866, but it exempted the regency of Priangan. It was afraid that the regulation or the ban would increase the hatred of *'ulama* against it, because *zakat* and *fitrah* were part of their income. Snouck Hurgronje was the one who forced the government to remove the exception. Native officials of Priangan tried to keep the exemption untouched and referred to the promise of government commissioner O. van Rees that the government would not interfere in the "religious income" of native leaders.[67] This promise was made in 1870 out of fear of the reactions of *'ulama* against the reorganisation of Priangan.

Finally, missive no 1962 of 1893, put an end to the native officials' interference in the collection and use of *zakat* and *fitrah* in Priangan. This regulation was designed by Snouck Hurgronje and strongly criticised the interference, malpractice and corruption involved in *zakat* collection. It was written for all native chiefs of regencies in Java and Madura[68] and was followed by an almost identical regulation in 1905. From 1893, European officials were to supervise all voluntary donations to make sure that these donations were totally voluntary.[69]

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64 Ibid.
65 Ibid., p. 1350.
66 Ibid.
67 Ibid., pp. 1355, 1364.
68 *Adat Rechtbundels VII*, 1913, pp. 302-3; Snouck Hurgronje, *Nasihat-nasihat* 7, p. 1350.
69 See later in the section on mosque funds.

Certainly, the above regulations could not immediately and completely stop the interference of native officials in Islamic charities. However, they gave strong support to the position of *zakat* as an individual religious practice that should remain voluntary and far from being managed by the state, not even by coercion. In short, it was "privatisation" of *zakat*. The effect of this policy was to support the autonomy of civil society charitable activities and empowerment of community religious leaders, such as *kyais*, by those charitable resources.

Along with "privatisation" of *zakat*, voluntary donations (namely *sedekah* and *waqf* giving) were observed. The "privatisation" process of all these types of donations supported the establishment of Islamic institutions, i.e., mosques and *pesantren*.

The Development of Islamic Institutions through Sedekah *and* Waqf

In contrast to *zakat* payment, which was given directly to persons, *sedekah* and *waqf* could also support activities and infrastructure. This section will show how such payments supported the establishment of mosques and *pesantren* (Islamic boarding schools).[70] As a consequence of this, mosques and *pesantren* generally belonged to communities and were independent from the ruler.

Community Mosques and Waqf *Institution*

Mosques remained the most important form of *waqf*. During the time of the Islamic kingdoms, they were built by the ruler, by pious leaders, or by the community (as noted above). In the colonial period they were built by the people, and there were two reasons for this: the Islamic kingdoms were on the wane, and the Dutch government tried not to interfere with religion.

Village reports between 1919 and 1923 mention the existence of mosques and smaller prayer houses (*langgar*) in villages.[71] *Langgar* were owned by

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[70] On *pesantren*, see Zamakhsyari Dhofier, *Tradisi Pesantren: Studi tentang Pandangan Hidup Kyai* (Jakarta: Lembaga Penelitian, Pendidikan, dan Penerangan Ekonomi dan Sosial, 1982).

[71] These sources consist of individual reports from several regions in Java, written by Jan Willem Meyer Ranneft, inspector (*Adjunct Inspecteur*) of the Department of Agrarian Affairs and Obligatory Services (Agrarische Zaken en Verplichte Diensten). The reports deal with three main topics, the village economy, land rights, and village institution and government. They are published by the National Archive of Indonesia. *Laporan-laporan Desa* (*Desa-Rapporten*), edited by Sartono Kartodirdjo, et al (Jakarta: Arsip Nasional Republik Indonesia, 1974).

individuals.[72] Mosques belonged to villages (as *waqfs*) and received income from *waqf* revenues from rice fields (*sawah*) that were given for various purposes including the maintenance of schools and mosques.[73] However, as the number of *waqf* of rice fields was very small,[74] not many mosques received that income. This custom can still be seen in Javanese villages today, such as in the Banyumas area, where only a few mosques own *waqf* of rice fields.[75]

The majority of *waqf* mosques depended on *sedekah* donations for their operating costs.[76] It seems that *sedekah* became an alternative for the establishment and operation of mosques, for three reasons: it was not burdensome; it could be given in kind and as labour; and it conformed to the local economy as well as the communal culture. Although the value of *sedekah*-giving from any given individual was small, it turned out to be valuable because of the high participation rate. Because of its flexibility, *sedekah* could fit into the tradition of *gotong royong*, which benefited many other forms of community infrastructure such as roads, irrigation, and bridges.

The establishment of mosques was in many cases not fully from *waqf* but also from *sedekah*. Achmad Djajadiningrat, the regent of Serang (West Java) in 1904,[77] reported the practice of *waqf* (of estate/land) in his regency which fell into four categories, namely *waqf masjid*, *waqf kuburan*, *waqf lajim* and *waqf duriyat*. *Waqf masjid* is a piece of land given for the building of mosques or anything related with religion on it, and *waqf kuburan* is given to be used as a cemetery. *Waqf lajim* is a garden or a plantation estate

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[72] Report from regencies Sumenep, ibid., p. 62 and Semarang, ibid., p. 91. According to Faishal, staff of KUA Banyumas, there is a tradition that *langgar* would be endowed as *waqf*. Interview by the author, Banyumas, 12 September 2005.

[73] *Desa Rapporten*, p. 96.

[74] Rachmad Djatnika, "Les Biens De Mainmorte (Wakaf) A Java-Est" (Ph.D. dissertation, École Des Hautes Études Et Sciences Sociales, 1982), pp. 309-26.

[75] The rice fields are usually rented to a farmer who will pay by cash or send a portion of its harvest to the mosque officials. Hj. Sokhimah, a Muslimat leader of Kroya, phone interview by the author, 25 June 2008.

[76] Recent national survey on *waqf* carried out by the Center of Religion and Culture of the State Islamic University Jakarta shows that *waqf* foundations—79 per cent of them are used for mosques—mostly depend on *sedekah* and *zakat* donation to support their operational costs. Only 20 per cent of *waqf* foundations receive income from *waqf* revenues. Tuti A. Najib and Ridwan al-Makassary, eds., *Wakaf Tuhan dan Agenda Kemanusiaan Studi tentang Wakaf dalam Perspektif Keadilan Sosial di Indonesia* (Jakarta: CSRC, 2006), pp. 145-6.

[77] G.AJ. Hazeu, collection H. 1083, no 11, KITLV. Godard Arend Johannes Hazeu (1870-1929) succeeded C. Snouck Hurgronje to lead Het Kantoor voor Inlandsche Zaken, from 1907-1913 and 1917-1920.

the revenue of which is for the benefit of villages. *Waqf duriyat* is a piece of land the revenue of which is for the benefit of the benefactor's offspring[78] (generally known as *waqf ahly*). Djajadiningrat mentions problems related to the land endowed for the establishment of mosques because they were left unused for years. The endowers (*wakif*) donated the lands and left them to the *waqf* managers and the people to build mosques on them.[79] In this case, the construction of mosques would depend on *sedekah* and other smaller *waqf* such as timber and roofing.

Presumably the construction of most mosques was made possible by a combination of *sedekah* and the *waqf* of land. In such cases, the land was *waqf* land, and the building was constructed by means of *sedekah* donations. The high cost of mosque construction may have prevented individual persons from endowing a mosque, and may have induced them to give land instead as the initial foundation for the establishment of a mosque.

As a consequence of this combination, there were probably not many mosques that were declared as *waqf*, although they may in fact have been clearly intended as *waqf*. Their *waqf* status refers to the land but seldom to both the land and the mosque built on it. This, in addition to the fact that many *waqf* were unregistered, is perhaps another reason why the number of *waqf* listed was small.

One may think that the establishment of mosques through *sedekah* and *waqf* was only a tradition in villages during the Islamic kingdom or even before. But in fact this also happened in capitals of regencies, such as in the regency of Cilacap, residency of Banyumas, in southern Central Java. The work of constructing the mosque took 40 years by which time it was still not finished, owing to the replacement of regents, and to disease and floods. Finally in 1925 the mosque was rebuilt at a cost of f. 26,000.[80] Each household in Cilacap donated a minimum of f. 0.05 and a maximum of f. 1.00.[81] Another example of the importance of *sedekah* in the establishment of a mosque will be discussed below in the section about *pesantren* Berjan.

Mosques which are totally or partly given as *waqf* have always been problematic on account of their perpetuality and immunity against any changes, purchase or bequest. There have been cases where, following the

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[78] Ibid.

[79] Ibid.

[80] R.A Kern collection, H. 797, 16. (No 250), KITLV. Rudolf Aernoud Kern (1875-1958) worked as an adviser to Het Kantoor voor Inlandsche Zaken (The Office for Native Affairs) in 1921-1922 and 1924-1926.

[81] Ibid.

Shafi'i *fiqh* tradition, people were strict in leaving the mosque buildings unaltered. Therefore, when these buildings needed repairs, people did not dare to fix them and left the mosque unused.[82] This kind of practice has gradually waned, but can still be seen in rural areas such as in Banyumas, where parts of the *waqf* materials of mosques have become sacred. Even though the people are able to rationalise the need to renovate an old mosque, old materials which could be re-used, such as the roof, are left unpurchased and unused due to superstition.[83]

Another problem connected with *waqf* was in the matter of disputes and the embezzlement of *waqf* properties because most of these were unregistered. Snouck Hurgronje's and Djajadiningrat's observations provide many examples of disputes and fallings-out over *waqf* properties.[84] Accordingly the number of *waqf* estates was somehow dynamic, not only with new *waqf* estates being donated but also by virtue of cancellations.[85]

To circumvent these problems, the government registered mosques and *waqf* properties in 1905 by Bijblad no 6169.[86] It later issued circulars and regulations that maintain the same subject on the registration of *waqf* properties, which some Muslims regarded as interference in religion. Yet the government policy toward *waqf* was similar to that regarding *zakat*, namely non-interference. The policy is stated, for example in Bijblad no 1890 of 1866, which forbade its officials to use free labour (*heerendiensten* or *kerja paksa*) on behalf of the government for construction work related to mosques.[87]

The number of new registered *waqfs* increased significantly during the period of the Dutch government. Djatnika's study on East Java provides numbers as follows: there were 79 in 1800-1850, 224 in 1850-1900, 168 in 1901-1910, 254 in 1911-1920, 383 in 1921-1930, and 495 in 1931-1940,[88] the result

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[82] Cf. Dr. G.F. Pijper, "Afbraak van Moskeën," *Oudheidkundig Verslag 1930*, Koninklijk Bataviaasch Genootschap van Kunsten en Wetenschappen (Batavia-Centrum, Albrecht & Co, 1931), pp. 240-2.

[83] Hj. Sokhimah, interview.

[84] Snouck Hurgronje, *Nasihat-nasihat* 5, pp. 903-15 and R.A. Kern collection, H. 1083, no 11, KITLV.

[85] A contemporary study by Uswatun Hasanah discusses problems related to *waqf*, especially the cancellation of *waqf* estates mostly by heirs of *waqif*. The majority of cancellations took place in cities and this impacted upon the number of *waqf*. "Peranan Wakaf dalam Mewujudkan Kesejahteraan Sosial (Studi Kasus Pengelolaan Wakaf di Jakarta Selatan)" (Ph.D. dissertation, Institut Agama Islam Negeri (IAIN) Syarif Hidayatullah Jakarta, 1997), 203-8.

[86] Bijblad op het Staatsblad 1906.

[87] Bijblad op het Staatsblad 1867.

[88] Djatnika, "Les Biens De Mainmorte," pp. 100-283.

being that, over 140 years, the number of *waqfs* increased five times. *Waqf* land was popular owing to the desire of the endowers to initiate the establishment of mosques and to support Islamic education. The endowed lands were mainly used for mosques, *pesantren*, *madrasah*, cemeteries, and production. In the above periods, *waqfs* of irrigated fields constituted 5 per cent of total new *waqf* of estates. This means that only a small portion of *waqf* land was managed for business in order to gain more revenue to benefit Islamic institutions. The number of *waqf* accelerated from the second half of the nineteenth century onwards, following the strong waves of Islamisation and Reformist movements. The transformation of *waqf* brought by the Reformists will be discussed in Chapter 4.

Pesantren *and Philanthropy*

It seems that *waqfs* were not the main form of charity in *pesantren*. The paragraphs that follow will show that, in these places, *sedekah* donations and self-support became a significant tradition of philanthropy. The institution of *waqf* gained in prominence later in the twentieth century.

The *pesantren* was (and is) an Islamic education institution that preserved the tradition of philanthropy, of which *zakat*, *sedekah* and *waqf* became important elements. The *pesantren* has had a tradition of independence and self-support from the very beginning of its development, perhaps even as early as the seventeenth century. Even though not all *pesantren* have survived physically, the *pesantren* system and its philanthropic tradition have survived for centuries.

Studies on *pesantren*s have generally depicted philanthropic practices, such as *waqf*, *sedekah*, and *zakat*. These can be seen, for example, in the study by F. Fokkens on the Pesantren Tegalsari which was established around 1742,[89] the study by Dhofier,[90] and in recent studies on Islamic philanthropy.[91] Historically, the *pesantren* is famous as a learning institution which was free of charge or at least inexpensive. This account may have been under challenge since the last quarter of the twentieth century when modern and elite *pesantren*s began to be developed in big cities. Nevertheless, the notions of an ascetic life and the provision of learning

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[89] F. Fokkens, "De Priesterschool te Tegalsari," *Tijdschrift voor Indische Taal-, Land- en Volkenkunde*, 24, 1877, pp. 318-36.

[90] Dhofier, *Tradisi Pesantren*.

[91] *Revitalisasi Filantropi Islam Studi Kasus Lembaga Zakat dan Wakaf di Indonesia*, edited by Chaider S. Bamualim and Irfan Abubakar (Jakarta: Center for Language and Culture, 2005).

can be seen in the story of Kyai Kasan Besari of Tegalsari, and *pesantrens* in Madiun regency.[92] The growth of *pesantrens* during the colonial period was stimulated by the need for education because the government did not seriously or systematically provide schools for the common people, as is shown by a survey on nineteenth century indigenous education by Ricklefs, which indicates that, until in the early twentieth century, Dutch education was aimed primarily at the elites.[93] By contrast, religious and social motives may have been embedded in the spirit of voluntarism and social responsibility which induced neighbouring communities to support *pesantren*.[94]

In the nineteenth century, *pesantren* were independent, although a number of them continued to receive support from the Dutch government through recognition of the status of *perdikan* (free villages), [95] which were exempt from taxes and compulsory work. *Perdikan* status was given by the previous Islamic ruler to those people whom the ruler considered to be deserving, mostly in relation to religious matters. Muslim rulers used this institution for preserving important mosques and graveyards, and for preserving religious functions,[96] and the Dutch government maintained the status and privileges of *perdikan*, whereby the inhabitants were still exempted from any taxes.[97] However, from 1874 the *perdikan* villages lost many of their privileges because the government regarded them as a "state within the state," where the village chiefs imposed too much hardship on their people.[98] Starting from 1918 the government reduced the number of *perdikan* villages step by step by providing monetary compensation, in order to transform them back into ordinary villages.[99]

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92 F. Fokkens, "De Priesterschool" and Anon, "Priesters en Priesterscholen," TNI, vol 17 (1855), pp. 10-17.

93 M.C. Ricklefs, *Polarising Javanese society: Islamic and other visions, 1830-1930* (NUS Press, the University of Hawai'i Press and KITLV, Leiden, 1995), pp. 202-10, 289-90.

94 Perhimpunan Pengembangan *Pesantren* dan masyarakat (P3M), *Direktori Pesantren I* (Jakarta: P3M, 1986).

95 For more on *perdikan* see B.J.O Schrieke, *Sedikit Uraian tentang Pranata Perdikan* (Jakarta: Bhratara, 1975), and "Desa's (Vrije)," *Encyclopaedie van Nederlandsch-Indië*, edited by Mr. Dr. J. Paulus, vol 1, 2nd ed. ('s-Gravenhage and Leiden: Martinus Nijhoff and E.J. Brill, 1917), p. 593.

96 Fokkens provides four types of "free-villages" (*perdikan*, *mijen*, *keputihan* and *pekuncen*) and lists the villages. See F. Fokkens Jr, "Vrije Desa's op Java en Madoera," *TBG*, vol XXXL, 1886, pp. 477-517. However, according to Snouck Hurgronje the categorisation is incorrect and the list provided is not really accurate. See *Nasihat-nasihat* 5, pp. 771-80.

97 Resolution of 24 May 1836 no 12 and Staatsblad 1853 No 77 and Staatsblad 1819 no 5. Schrieke. *Sedikit Uraian,* p. 37.

98 Ibid., pp. 37-42.

99 Soetardjo Kartohadikoesoemo, *Desa*, 2nd ed. ([Bandung]: Sumur Bandung, 1965), pp. 77-9.

There is a small possibility that *pesantren* benefited from the *perdikan* grant before the nineteenth century because some of their status was given after they were established, as in the case of Pesantren Tegalsari. The endowment of grants could also be more personal, such as for preserving the graves of royal families, thanksgiving for saving royal lives, and wedding gifts.[100] In the nineteenth century there was some correlation between the numbers of *pesantren* and the status of *perdikan* villages. It seems that not all mosques and *pesantren* had *perdikan* status, and I presume that the *kyai* chose uninhabited areas to start their *pesantren*, because they preferred an ascetic life, cheap or free land, and to keep a safe distance from the rivalries of other established *pesantrens*. Pesantren Berjan, which will be discussed below, was not established in a *perdikan* village. A tax exemption for *'ulama* was probably given by Islamic rulers to their high officials, who were both secular and religious and in the colonial period, this exemption was still practised.[101] However, there is a possibility that the exemption of teachers of religion and *kitab*[102] from compulsory labour, which was recognised by the Dutch government, may have been one of the grounds for the growth of the *pesantren* institution. At the time, critics claimed that people were establishing *pesantren* and many *santri* were going there precisely as a means to escape compulsory labour. This exemption also existed in Palembang, as can be seen in the 1832 regulation on mosque affairs.[103]

In *pesantren*, both *kyai* and *santri* were donors and received benefits as recipients of charity. The *kyai* were the main actors of the *pesantren*; and were benefactors and managers as well as beneficiaries. As a result most histories of *pesantren* are more or less the histories of their *kyai*. A *kyai* or *nyai* (wife of *kyai*) dedicates his or her life to managing the *pesantren*, teaching *santri*, doing fundraising, and leading other teachers who volunteered at their *pesantren*. Zamakhsyari Dhofier noted that historically *pesantren* were owned by *kyai*/*nyai* who were rich and came from a high social class.[104] If the *kyai* of a *pesantren* was poor, the community would support him to build the *pesantren*. And according to Dhofier, a *kyai* could easily become rich later on because of his high social status. As the main benefactors, *kyai* and *nyai* made their lands and houses available for classes and for *santri* accommodation.

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100 Cf. "Priesters and Priesterscholen."

101 It is mentioned for example in *Bramartani* newspaper, see a quotation in p. 72.

102 Cf. Karel A. Steenbrink, *Beberapa aspek tentang Islam di Indonesia abad ke-19* (Jakarta: Bulan Bintang, 1984), p. 153.

103 See quotation p. 60.

104 Dhofier, *Tradisi Pesantren.*

The picture one gets from sources on *pesantren* education in the nineteenth century is a picture of reciprocity: *kyai* voluntarily taught religious knowledge to *santri*, and in turn *santri* gave loyalty to their *kyai*. As part of learning, a *santri* was expected to follow what the *kyai* asked in order to get his blessing (*berkah*) whereas a *kyai* considered the *santri* as his own child.[105] This reciprocity tended to be non-material, although *kyais* also took voluntary gifts from *santri*. As a result of this reciprocity, the tie between *santri* and *kyai* was strong. To some extent, *santri-kyai* attachment helped accelerate social movements in the nineteenth century.

I assume that the massive donations and the *waqf* land and building given to *pesantren* were initiated in the twentieth century by modern *pesantren*, which are better organised than their predecessors. Estates used for mosques, accommodation and schools were later legally given as *waqf* for *pesantren*. To meet expectations of accountability, traditional *pesantren* followed the path of modern *pesantren* by having foundations (*yayasan*) and setting up organisations to differentiate between the property of a *pesantren* and its *kyai*, and between the affairs of the *pesantren* and those of its *kyai*. As a consequence, the ownership of *pesantren* transferred from the *kyai* to the community, or the *pesantren* became a public possession.[106] This change may have been encouraged by the massive donations from communities. However, this legal and structural improvement did not actually change the authority of the *kyai*, as can be seen in the account of Pesantren Berjan below.

The Case of Sedekah *and* Waqf *at Pesantren Berjan*

Pesantren Berjan, formally called Pondok Pesantren An-Nawawi, is one of the few nineteenth-century *pesantren* that survives to this day. It claims to be a "semi-modern" *pesantren*—that is, a *pesantren* that still follows the traditional learning of *kitab kuning* but has a formal school and implements a modern organisation.[107] Pesantren Berjan is located in Berjan

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[105] Ibid.

[106] Ibid., p. 44.

[107] Ali Rosidin, interview with author, Berjan, 17 September 2005, 9 September 2006. He is head of the education and teaching division at Pondok An-Nawawi; head of school at Pondok Nawawi, and secretary of the Kyai. Number of *santris* in 2001/2003 is 809 and in 2003/2005 is 869. Pondok Pesantren Putra An-Nawawi, "Laporan Pertanggungjawaban (LPJ) Pengurus Pondok Pesantren Putra An-Nawawi masa Khidmah: 1424-1426 H./2003-2005 M" (Purworejo, Pondok Pesantren Putra "An-Nawawi," 2005), p. 40, (shortly as "Laporan Putra 2005"), and Pondok Pesantren Putri An-Nawawi, "Laporan Pertanggungjawaban Pengurus

hamlet, Gintungan village, Gebang district, Purworejo regency in central Java. It is a continuation of a *pesantren tarekat* which was established by Kyai Zarkasyi (1830-1917), probably around 1870. Pesantren Berjan has been one of the centres of the learning of Tarekat Qadiriyah Wa Naqsabandiyah in Central Java. Kyai Zarkasyi learned Tarekat Qadiriyah wa Naqsabandiyah[108] from Shaykh Abdul Karim of Banten[109] while he studied at Mecca. After he received certification (*ijaza*) as a *tarekat* teacher (*mursyid*) from the Shaykh,[110] Kyai Zarkasyi went back to his home town, studied in many *pesantren,* and also from Kyai Sholeh Darat, and then developed his *tarekat* teaching in Berjan.[111] After Kyai Zarkasyi died, Pesantren Berjan was led by his son, Kyai Shiddiq, who was also *mursyid* of *tarekat*. When Kyai Shiddid passed away in 1948, Kyai Nawawi carried on his father's leadership in both *pesantren* and *tarekat* until he died in 1982. Kyai Nawawi in turn passed on the leadership to his son, Kyai Achmad Chalwani (1954-), who currently leads both *pesantren* and *tarekat.*

Each of these leaderships marks different periods and major changes during which the *pesantren* developed its educational system and organisation. Kyai Zarkasyi opened up the Berjan area and started and developed the teaching of Tarekat Qadiriyah wa Naqsabandiyah in Purworedjo which

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Pondok Pesantren Putri "An-Nawawi" Berjan Purworejo masa Khidmah 1422-1424 H./2001-2003 M" (Purworejo, Pondok Pesantren Putri "An-Nawawi," 2003), shortly as "Laporan Putri 2003."

[108] For a study on Tarekat Qadiriyah wa Naqsabandiyah of this *pesantren* see Drs. Dahlan A.R., "Tarekat Qodiriyah wan Naqsabandiyah di Jawa Tengah dan Jawa Timur Studi Kasus di Kecamatan Gebang Kabupaten Purworejo" (research report, Balai Penelitian Aliran Kerohanian/Keagamaan Departemen Agama Semarang, 2000). For studies about *tarekat* in Indonesia see Martin van Bruinessen, *Tarekat Naqsabandiyah di Indonesia Survey Historis, Geografis, dan Sosiologis* (Bandung: Penerbit Mizan, 1992), chapter 4, pp. 89-97; and the same author, *Kitab Kuning Pesantren dan Tarekat Tradisi-tradisi Islam di Indonesia* (Bandung: Mizan, 1995), pp. 210-18.

[109] Abdul Karim Banten was the *khalifah* of tarekat Qadiriyah wa Naqsabandiyah, replacing Shaykh Ahmad Khatib Sambas. After Abdul Karim died there was no central leadership of tarekat Qadiriyah wa Naqsabandiyah. See Martin van Bruinessen, *Kitab Kuning*, p. 217.

[110] According to local history, he stayed several years in Suquler (Suq al-Layl), a district of Mecca which is located to the north-east of the Haram Mosque, which known to accommodate poor Sufis. Among his colleagues who received *tarekat* certificates were Kyai Ibrahim from Mranjen (Semarang) and Kyai Abdullah Faqih from Bumen (Wonosobo). Kyai Chalwani, interview with author, Berjan, 18 September 2005; interview by Siti Hidayah, Berjan, 29 September 2007; Siti Khafidoh, interview by Siti Hidayah in Purworedjo, 29 August 2007.

[111] Chalwani, ibid.

attracted followers or pupils known as *santri tarekat.*[112] Kyai Shiddiq was the first to accommodate *santri mukim*, students who stayed in the *pesantren*. Pesantren Berjan was named "Miftahul Huda" (key of guidance).[113] The beginning of *santri mukim* was probably stimulated by the growth of the *tarekat* followers, which numbered in the hundreds. The next leader, Kyai Nawawi, opened a formal *madrasah* education and a *pesantren* for females, and was active in the national leadership of Nahdlatul Ulama and *tarekat*. He changed the *pesantren*'s name to Roudlotut Thullab (Garden of Students). Owing to Kyai Nawawi's fame the followers of his *tarekat* grew into the thousands. He was among the leaders of the *tarekat* organisation of Nahdlatul Ulama.[114] Kyai Chalwani set up a legal foundation and built a modern organisation, as well as establishing Islamic higher education. In 1996 he changed the name of the *pesantren* to An-Nawawi, in honour of his father. Under his leadership, there were probably ten thousand *tarekat* members in 2006.[115] Through these changes, the traditional learning of classical books (*kitab kuning*) and *tarekat* Qadiriyah wa Naqsabandiyah has remained important, as has the tradition of philanthropy at the *pesantren*.

The core of the philanthropic tradition at Pesantren Berjan has been called *swadaya* (self-support and mutual assistance),[116] which is a combination of *sedekah* (in-kind and cash) and volunteering. *Sedekah* became significant because the people of Purworejo and the *tarekat* members were mainly marginal farmers who were not obliged to pay *zakat* and could not afford to give *waqf*. There was land donation, but it has been treated as *sedekah*.[117] The majority of people gave *fitrah* directly to the poor, and the *pesantren* rarely received *zakat*. This *swadaya* system is referred to in the

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[112] *Santri* of *tarekat* were called *santri tua* (old *santri*) because most of them were aged fifty or over. They were (and still are) followers of certain *tarekat* (Sufi order) who came to *pesantren* regularly to meet with their *tarekat* teacher.

[113] The history of the Pesantren notes that the name was bestowed by Kyai Zarkasyi.

[114] Tariqah al-mu'tabaroh al-nahdiyyah.

[115] This estimate is according to Rosidin and my own estimate as I attended the *haul* in 2005 and 2006. The majority of the *tarekat* members were old women. As there is no record of the exact number of the *tarekat* followers, the Pesantren appears to base its estimate on the *badal* (*tarekat* group leaders) and also by counting the number of snack boxes and lunch plates provided for the attendances of the *haul* from year to year. In 2000 the estimation of *tarekat* followers was eight thousand. Dahlan, "Tarekat Qadiriyah wa Naqsabandiyah," p. 35.

[116] A term used by all respondents.

[117] Estate for mosques.

narratives about Pesantren,[118] especially on the establishment of the mosque, as outlined below.

The mosque was first established by Kyai Zarkasyi as a small *langgar* on his estate.[119] It was built in cooperation (*gotong royong*) with his *tarekat santri* who were farmers. Although there is a story that Kyai Zarkasyi brought two red bricks from Kyai Sholeh Darat to establish a *pesantren* in Berjan,[120] it seems that the mosque was not built of bricks but of bamboo, which was freely available in the Berjan area.[121] Kyai Shiddiq refurbished the mosque with the help of *santri tarekat* and *santri mukim*. The number of *santri tarekat* was probably a hundred and the number of *santri mukim* about ten. This time, they used bamboo and logs from coconut trees as building materials, provided by Kyai Shiddiq and his *santri tarekat*. In 1964/5 the mosque, which was in a poor state of repair, was rebuilt by Kyai Nawawi. Some of the materials—namely bamboo, bricks, coconut tree logs, and a few other timbers—were given by the *santri*, who mostly came from Purworedjo, Wonosobo, Kebumen, and Temanggung. They also made red bricks for the construction. Kyai Nawawi bought some of the logs from people at Berjan and paid two masons with his own money, which he had obtained from his small business as a trader.[122] At the time of Kyai Chalwani the renovation of the mosque was supported with funds raised by members of the *tarekat*. The construction work was done by masons paid by Kyai Chalwani.

The philanthropic tradition at Pesantren Berjan depended on two factors, the *swadaya* system and the role of the *kyai*. The *swadaya* system remained strong but has gradually changed from voluntary work to in-kind donations and cash donations. It also changed from being only community funded during colonial times to community funding combined with government funding after independence. It was probably from the period

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[118] The story of tarekat Qadiriyah wa Naqsabandiyah and Pesantren Berjan is always mentioned in the events of Pesantren as well as *tarekat*. The major event is the *haul* (the annual commemoration of the death of the founders of the Pesantren who were also of the leaders of *tarekat*).

[119] Chalwani, interview and Rosidin, interview.

[120] Kyai Soleh suggested that he move from his previous place in Baledono because there was a more senior *tarekat* teacher there, named Kyai Imam Puro. Kyai Achmad Chalwani, public speech at the *haul* in Pesantren Berjan, 18 September 2005 and 9 September 2006; Chalwani, interview.

[121] Cf. section on the history of Berjan. This section is always included in any report issued by Pesantren. See for example in "Laporan Putra 2005" and "Laporan Putri 2003."

[122] He traded rice, batik and clothes, which the *badal* (*tarekat* group leader) helped him to sell. He also established a printing company.

of Kyai Nawawi onwards that the Pesantren occasionally received government grants.[123] The lack of human resources and the strong maintenance of both *tarekat* and traditional learning may have disassociated this Pesantren from external funding, including from Middle-Eastern sources.[124]

The main *swadaya* income was from *tarekat,* which covered about 60 to 70 per cent of the income.[125] *Tarekat* followers contributed *sedekah* at regular *pengajian* (religious gathering or study group), *sedekah* during *haul* (the annual commemoration of the founders' deaths), money for getting books (paid during registration), and *sedekah* for getting amulets (*jimat*). Other income came from profits from printing and selling calendars of the *pesantren* and organising *ziarah* pilgrimages. In the 2005 report, profit from *ziarah* was roughly 21 million (USD 2,471) and from calendars 10 million rupiah (USD 1,176);[126] *sedekah* from *tarekat* members which was collected during *haul* was around 7 million (USD 824).[127]

Contributions from *santri* were small and were spent on accommodation and school expenses. *Santri* contributions as a school payment probably began after 1965 when the modern school was established. It was probably from 1996 that *santri* began to pay for their meals—a time when the pondok owned a foundation named Raudlotut Tullab (the old name of the *pesantren*) that centralised the financial system. Based on the 2005 report, the foundation receives between 18 and 20 per cent of its total income for Pesantren.

Looking at *pesantren* stakeholders, there were four financial resources at Pesantren Berjan and were commonly found in other *pesantrens*, (1) contributions from the *kyai* and *kyai*'s family (2) contribution from parents of *santris*, (3) donations from other people (such as *tarekat* members) or institutions which are "halal and without certain requirements,"[128] and

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123 The largest grant was Rp. 200 million (USD 23,529) for the school building in 2004. Rosidin, interview.

124 The Pesantren claims to have declined offers for funding from Saudi Arabia, apparently because the funding would have required certain changes in the curricula. Rosidin, interview. According to Pesantren staff, this was to avoid influence from puritan ideologies, more specifically Wahabi thought.

125 Chalwani, interview.

126 "Laporan Putra 2005."

127 Rosidin, interview.

128 The term "without certain requirements" (Indonesian: *tidak mengikat*) was commonly mentioned in social institutions and organisations in Indonesia. This subtly rejected conditional gifts that implied to changing social, political or ideological stand of the beneficiaries. For an example, see note 124.

(4) profit making.[129] These resources except the last one may come in various types, from *zakat*, *waqf*, to grants.

The role of the *kyai* is pivotal in charitable activities for the continuation of the Pesantren. Collected memories of Kyai Nawawi, for example, tell that he prioritised establishing the mosque over building his own house: he lived in an unfinished house for several years, and used his own money to build the mosque. Kyai Zarkasyi built the mosque on his estate and later donated the estate to the *pesantren*. Kyai Shiddiq taught *santri* voluntarily without any formal payment. Stories about this kind of giving and volunteering are familiar in a *pesantren* milieu, where *pesantren* leaders became the main donors and took full responsibility for the management of *pesantrens*.

In establishing the foundation and the modern organisation, there is a will by each *kyai* to differentiate between the resources of the *pesantren* and his own, and to be committed to public accountability. However, in *pesantren* with a strong traditional learning and a *tarekat* system, the authority of the *kyai* would always be powerful. Therefore *pesantren* and mosques have remained as community institutions.

Guarding Mosque Funds from the State Intervention

The effort of the Dutch government to keep charitable activities separate from the state can be seen in the case of mosque funds. Apart from the government's effort to prevent its officials from benefiting from the funds, and different perceptions between the government and indigenous people about the funds, this section will show that mosque funds were used by Indonesians as an exercise in organising charity along modern lines.

Mosque funds largely comprised a certain amount of the payments made for marriages (later it also includes a portion of *zakat* and *fitrah* money) that were kept by the mosques for their operations.[130] These funds came from *sedekah* donations made by marrying couples as a thanksgiving to the mosque officials who presided over their marriage contracts and for being allowed to use the mosques for the ceremony. While both the marriage payments and the mosque operating funds are probably an old tradi-

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[129] The Raudlotut Tullab foundation has some business, such as Baitul Mal wa Tamwil (Islamic micro-finance), shops, travel agents, and printing. Chalwani and Rosidin, each interview with the author.

[130] Cf. "Moskeekas," in *Encyclopaedie van Nederlandsch-Indië*, edited by S. De Graaff and D.G. Stitbbe, 2nd ed., vol 2 ('s-Gravenhage: Martinus Nijhoff, 1918), pp. 789-90.

tion, their administration most probably took form during the Dutch period. The Javanese newspaper *Bramartani*[131] published an article that recounts the formation of a mosque fund.

> … The king located *'ulama*, gave them a tax exemption, and asked them to teach reading and *shahada* [pronouncement of the faith]. When the people knew Islam, those who wanted to get married asked their teacher to legalise their marriage. Since they were happy they gave their teachers fruits and some amount of money. The independent religious leaders did not want to take that *karimat* [gift from the bridegroom] money. It was consequently used for the operation of mosques and to help the poor and destitute. During the Dutch government, this practice remained. However, persons who received money from marrying couples gave it to the *penghulu* and his officials. A certain amount was given to the funds for the *penghulu* called *baitul mal masjid*. In addition, *penghulu*s were encouraged to take responsibility for the money by specifying the fee. It is according to the elucidation (*sarah*) of the Kitab Tuhfah or Kitab Kalimahacui[132] that those people should be responsible. …[133]

The formation of mosque funds may have taken place specifically in Java and Madura, as implied from the observation of Snouck Hurgronje and the suggestion of E. Gobee in 1931.[134] In addition, there are no specific reports on mosque funds in other islands of the archipelago listed by R.A. Kern in 1920. (See Appendix 1).

Mosque funds became a big issue during colonial times because they consisted of huge amounts of money and represented a mismatch of interest between people and the government in dealing with charitable money. The government tried to keep mosque funds for religious services and as a strictly private voluntary activity, separate from state interference. Conversely, the people wanted to use whatever resources they had for the welfare of the community without limitation on Islamic rituals and without any concern as to state or private status. This mismatch may have come from different understandings of the fund. The government generally considered these funds to be a donation from mosque officials, whereas people considered it also as a public fund called *Baitul mal*. Another article published in *Bramartani* in 1885 explains how mosque funds or *Baitul mal* were applied.

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[131] Bramartani circulated in Surakarta circa 1855-1932. It is written in the Javanese language and script.

[132] Probably Kitab *Majmu'* or *Fath al-Mu'in*.

[133] M.s. Jaka Waweka, untitled, *Bramartani*, 17 February 1891, shortly as "arta srakah."

[134] R.A Kern, collection no H 797, no 250; Snouck Hurgronje, *Nasihat-nasihat* 5.

> Arrangements in Kabupaten Sragen are under Surakarta royal authority, which I can call the very best and most beneficial [arrangement]. All of the mosques that are in towns outside the capital city certainly remain royal possessions. Therefore considerations about how to restore mosques arise from these beneficial arrangements.
>
> In the regency there is one chief *penghulu* with six *katib* under him, one *modin*, and one secretary. (In the districts there is also a *penghulu naib*). When someone who lives around 3 km from the regency wants to get married, the custom is to carry out the ceremony in the mosque. Whatever *srakah*[135] money was given, 25 cents of it was kept in the mosque, namely in the mosque fund which was called *Baitul mal*. The rest of it was distributed. The *penghulu* received half of it, and the other half was shared between the *katib*, modin, and secretary. So, the *Baitul mal* funds are royal funds.
>
> Mosque funds. The mosque funds are used for (1) the operational cost of the mosque, (2) purchasing lamps and oil to light the mosque at night, (3) obtaining objects used at mosques such as *pandan* mattresses, (4) supporting funeral expenses of poor people who die at the mosque, (5) funeral costs for the very poor among the villagers, (6) appropriate support for the poor who spend the night at the mosque, such as travelling *santri* from other regions, or wandering Arabs (they obtain food at the cost of *Baitul mal*). Similarly, if there are children whose father died (before their birth) where parents are very poor, they are supported with food paid from the *Baitul mal* funds. *Baitul mal* funds do not only come from *srakah* money. Service fees for *talak*, inheritance, bequests and so on also take 10 per cent for the mosque. The Sragen Mosque is going to be renovated. All of its materials are well prepared and the costs are covered by *Baitul mal* money. Each month the *penghulu landraad* will report [on the *Baitul mal*] and send the report to the regency. This includes the number of marriages and other services held in the mosque of the regency. The regent will read the report and check that with the amount of *Baitul mal* money mentioned in the report book. [136]

The above quotation gives an example of the expenditure of mosque funds, which were mostly to do with the welfare of the community surrounding the mosque and operational costs of the mosque. The quotation and others cited above show that the voluntary gift of *srakah* was money that was then transformed into an officially recognised fee under the Dutch government, which led to the legalisation of mosque funds. The Dutch legislation in fact was a response against corruption and, more particularly, abuses where

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[135] Voluntary gift. Its likely origin is from the Arabic, *sadaqa* or Indonesian *sedekah*, but it came to specifically refer to a sum of money given to mosque officials in thanks for helping a marriage procession. More explanation is on p. 148.

[136] Anon, "wangsulan katur kyai juru ngarang," Bramartani no 52, 19 November 1885. It will be referred as "baitul mal masjid."

the money was used for purposes other than religious services or the operation of mosques.

There was criticism regarding mosque funds among the people, some of which was similar to the concerns of the government. The most important criticism was to do with corruption among the managers (especially the *penghulu*),[137] the enforcement of payment,[138] and its misuse.[139] Many critics pointed out that although the mosque funds were huge, the condition of the mosques were still poor because the funds were of no benefit.[140] However, there was a strong call to transform the mosque funds into a charitable organisation, which was in contradiction to the government's position.

Although the government prohibited the use of mosque funds for public need or the welfare of the poor, the outcry in favour of such use became stronger in the early twentieth century. One critic argued that the use of the funds for public needs was not against Islamic law; in fact, the law encouraged the use of mosque funds or *Baitul mal* for purposes such as caring for the poor, which was an urgent need.[141] An appeal for the change of mosque funds into a charitable institution was written in the newspaper *Sinar Hindia*:[142]

> In SH [Sinar Hindia] of 16 April 1919 no 75 there was a news item by Mr. Soeradi regarding mosque funds that had gone missing in Semarang. If that is correct, why should you gentlemen, the defenders of the nation, not start immediately to struggle for the appeal mentioned in SH February 1919 no 31 which proposes that we could talk about the adversity of our nation where there are many people becoming beggars.

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[137] For examples M.s. Jaka Waweka, "Arta Srakah"; *Sinar Hindia*, 9 January 1919, no 6, as summarised from Overzicht van de Inlandsche Pers (IPO) No 2/1919 (Weltevreden: Bureau voor de Volkslectuur, 1918-1920); and *Sinar Hindia*, 18 November 1918 No. 231. About the misbehaviour of mosque staff, see *Oetoesan Islam Soeara Kaoem Moeslimin di Hindia-Belanda*, 30 December 1918 No 39. About mishandling and the abuse of the high native officials see Achmad Bazar, "Kas Mesdjid dan ambtenaar," *Sinar Hindia* no 231, November 18, 1918.

[138] Jaka Waweka, "Arta Srakah."

[139] *Sinar Hindia*, 8 May 1919, *Sinar Hindia*, 18 November 1918 No. 231.

[140] See anon, "Kasihanilah dan tolonglah beberapa riboe orang miskin," *Sinar Hindia*, 24 April 1919, and *Sinar Hindia*, 18 November 1918, no 231.

[141] One critic wrote "Gentlemen readers should know that everywhere there exist huge sums of money that can be considered as useless. What was it? Mosque funds!" Anon, "Kasihanilah dan tolonglah beberapa riboe orang miskin," *Sinar Hindia*, 24 April 1919.

[142] Sinar Hindia was a paper that belonged to the Indonesian Communist Party (Partai Komunis Indonesia). It was published in Indonesian, sometimes mixed with Dutch.

> Since mosque funds are also given as *fitrah* and *zakat*,[143] it would not be a bad thing if they were also used as *fitrah* and *zakat* for our people who are becoming destitute. It should not only be given to rich widows and to mice who used to smoke.[144] If the government approves this aspiration, the mosque funds that used to be given as *zakat* and *fitrah* should not be distributed for food only, but should also be collected for establishing poorhouses for the poor.
>
> With all respect, the writer asks all of you, gentlemen who are the nation's defenders and leaders of BO [Boedi Oetomo], SI [Sarekat Islam] and other organisations to fully consider this appeal, because the writer has seen many examples from foreign nations, most of which have already established many nursing homes supported by the government. It would only be fair if the government did not keep quiet but would support our work.[145]

Apart from the probability that these funds were understood as the state treasury that was called "*baitul mal*" during the time of Islamic kingdoms, an appeal towards the modernisation of mosque funds was in fact on a different course from government policy. The government tried to control these funds so that they were used only for matters of religious service and the upkeep of the mosque. This effort did not quite succeed.

The government only became aware of the issue of the mosque funds after the case of the Regent of Rembang, Raden Tumenggung Panji Kartowinoto, who (among other things) could not account for the use of f. 3,892.00, f. 3,196.00, and f. 2,328.00 in 1886, 1887, and 1888 respectively.[146] Although the problem was more the *penghulu*'s fault than that of the regent, the regent was fired from office (1 May 1889) as a warning to other regents.[147] His successor then issued decree no 3282/1 on 4 August 1892[148] regulating income, management and expenditure of the mosque funds in Rembang. The first circular concerning mosque funds was sent to all chiefs of regencies in Java and Madura dated 4 August 1893,[149] which included the regulation regarding Rembang as an example for other regencies. The

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[143] Mosque funds were not given as *fitrah* and *zakat*. The writer probably means that the money was distributed directly to the poor as food or money, which was the same as *fitrah* and *zakat*.

[144] "mice who used to smoke" probably refers to corrupt leaders.

[145] Anon, "Oeang mesigit haroes di goenakan boeat kaperloean boemipoetera," *Sinar Hindia*, 8 May 1919. This is PKI criticism of mosques. Roedjak Oeleg, "Wang Kas Masdjid," *Poesaka*, May 1919, no 11.

[146] Mailrapport no 287, 1889.

[147] The letter was signed by the governor general of the Netherlands Indies, based on advice of the Raad van Indie no. 284, 1 April 1889. Mailrapport no 287.

[148] See the extract in Adatrecthbundels Vol VII, no 8, pp. 297-9.

[149] See *Adatrechtbundels* Vol VII, no 8, pp. 302-6. The missive was published in *Locomotief* newspaper, Friday, 1 September 1893 no. 204.

regulation of 1893 ordered local governments to be careful in selecting *penghulu*, to exercise control over mosque funds, and to introduce fees for marriages, interim-divorces (*talak*), and divorces. It also stated that the government would control the administration books (report) and the rate of fees for services.

Why did the government control mosque funds? The 1893 regulation carefully explains that mosque funds were considered to be a payment for a service given to the *penghulu* as a government official, and therefore it was not regarded as charity.[150] The regulation consequently argues that control over the fund was necessary in order to prevent the payment from becoming burdensome[151] or, in Snouck Hurgronje's words, creating a hidden tax for the people.[152] Many other circulars were then sent to the heads of regions at Java and Madura, as follows.

Table 3.1 Circular on Mosque Funds in 1901-1931

Name	*Subject*
Secret Circular of 3 August 1901 no 249	An order to reduce the amount of mosque funds and a warning not to use them for other aims such as for street-lighting, or the renovation of bridges
Secret Circular of 28 May 1904 no 240	A warning against the misuse of mosque funds and against ignorance regarding the implementation of government regulations
Circular of 1 August 1904 (Bijblad no 6057)*	A regulation of marriages fees and their distribution
Circular of 28 February 1905 no 873	The use/application of *zakat* and *fitra*h money included in the mosque funds
Circular of 7 October 1905	Guidelines for the management and use of mosque funds
Circular of 28 August 1923**	To prevent too much money being put in mosque funds and to use these funds for good purposes.
Missive of 20 May 1931***	Management of mosque funds and their further issues
Circular of 24 November 1931	Management of mosque funds and supervision of the maintenance of mosques.

Source: *Adatrechtbundel*, Snouck Hurgronje, *Nasihat-Nasihat*; R.A Kern, collection H 797 and G.A.J. Hazeu, collection H 1083.
* *Bijblad op het Staatsblad*, No 6135-6330, vol 39 (Batavia: Landsdrukkerij, 1906).
** R.A Kern, collection no H 797, no 250, KITLV.
*** G.A.J. Hazeu, collection no H 1083, no 11, KITLV.

[150] *Adatrechtbundels* VII.
[151] Regulation of 1893. It is also mentioned in other regulations such as 1904, 1905, 1923 and 1930.
[152] Snouck Hurgronje, *Nasihat-nasihat* 5, p. 847.

These circulars set specific guidelines and instructions as to how to manage mosque funds, especially on reducing the rate of fee payment in order to reduce the amount of the fund. "The mosque fund should not kept beyond the needs of *ibadah* according to the previous tradition,"[153] because a large amount would become "tempting" and would open the door to abuse and malpractice. Behind these regulations is actually the fact that the amount of mosque funds was extremely large, and was indeed open to potential abuse and malpractice. (See list of balances of mosques funds in Appendix 1 and a list of misuse and abuses in Table 3.2 below).

Table 3.2 Examples of Misuse in Mosque Funds circa 1903-5

Residencies	*The use outside the aim*	*Inappropriate use of religious service and mosque operations*	*Personal uses by officials and ruler*
Banten		Building bath pool	
Priangan			The regent of Garut was always the main borrower.
Cirebon	Excessive expenditures not related to the aims of mosque	Establishment of a new mosque which was not really needed	Unpaid loan by the deceased regent at f. 400.00
Pekalongan	Controller took *f.* 250 as a down-payment to build a private school.	Approximately *f.* 600 was spent for helping the poor.	
	In Pemalang, *f.* 3,000 was used for a club.		
Semarang	*f.* 693.53 loan to the government which would not be paid back	*f.* 4 for form of observation of *hajj* a candidate	Huge amount given to koloni Van Emmerick *
Rembang	Each month some amount was given to the missionary hospital at Mojowarno.	More than *f.* 9,000 to build a mosque at Blora	Subsidies to widows of deceased officials
	Purchase of a club building which cost f. 5,000	Donations to Arabs and to needy Europeans	
Surabaya	Each year about *f.* 90 was given to missionary hospital of Mojowarno	Donations to Arabs and poor Europeans	Building grave monuments for the late regents of Gresik

[153] Secret Circular of 1 August 1901 no 249.

Table 3.2 (cont.)

Residencies	*The use outside the aim*	*Inappropriate use of religious service and mosque operations*	*Personal uses by officials and ruler*
Madura	Monthly payment *f.* 20 to 2 spies at Sampang	Many payments for *taklik* costs	*f.* 6,000 borrowed by an European official to built a slaughterhouse at Bangkalan
			Gifts of f 168 from the assistant resident to some of the poor
Pasuruan		Renovation of mosque at Malang at f. 18,000	
Besuki	Financing plant seeds and other cultivation matters		Refurbishing of the office of the assistant resident of Singotrunan
Banyumas		Maintenance for nursing the poor	
Kedu	Used as cash loan at Purworejo	Subsidies and gifts for various categories of the poor in Purworejo and Temanggung	Subsidy to the *naib penghulu* of Banyuasin
		Payment for feasts at mosque in Kutoarjo	Monthly gifts of *f.* 15 to widows of officials in Kutoarjo who had resigned
		Various kinds of donations for wandering beggars	Many loans to native officials in Kutoarjo
		Salaries for a religious teacher and secretary to an *'ulama* at Karanganyar	Subsidies for the *penghulu landraad* and widows of previous *penghul*u at Wonosobo
		Purchase of expensive copies of the Qur'an and religious books in Karanganyar	
Madiun	Establishment of a hospital		Loan for native officials at Pacitan
	Street lighting		
	Flags on the *alun-alun* in Madiun		
	Food for important feasts in Madiun		

Table 3.2 (cont.)

Residencies	*The use outside the aim*	*Inappropriate use of religious service and mosque operations*	*Personal uses by officials and ruler*
Kediri	Salaries for a secretary, lighting person and gardener in Kediri regency	Donations to poor European beggars some of whom were Muslims	In Tulungagung and Nganjuk much money was borrowed by native officials
	Monthly donations of f. 7.50 to the Mojowarno mission hospital	Donations for the poor who were aristocrats	Luxurious funeral service for the wife of an *adipati* in Nganjuk, and donations for some other funerals
		Gifts to *kyai* and *penghul*u in Nganjuk who went on pilgrimage	A loan of *f.* 1,566.28 to an aristocrat without demand that the money be returned

Source: *Adatrechtbundel VII*, 324-30.
* I could not find information about the *koloni* Van Emmerick

Reducing the amount was not an easy task. Snouck Hurgronje was upset to find that in some cases the amount of mosque funds would even increase. For example, the funds of Cianjur, Sukabumi, and Tasikmalaya increased from the previous year to become respectively *f.* 13,000, *f.* 14,000 and *f.* 21,000 in 1905.[154] In 1907, the funds of these regencies were *f.* 13.494, *f.* 30,722, and *f.* 18,735.[155] In 1920, the funds became *f.* 846, *f.* 3,705, and *f.* 5,529 respectively.[156] G.A.J Hazeu reported that the amount of mosque funds circa 1907 was still high and so was its misuse, despite the warnings from the government.[157] In 1920, the total amount of mosque funds in regencies of Java and Madura was more than a half million guilders, (as can be seen in Appendix 1). The amount varied from one regency to another and there were many reasons behind the different fund levels, one of them being the different economies of the region. Cilacap and Purwokerto, which had the biggest amounts in Banyumas residency, were known as industrial and trade regions, whereas regencies Purbalingga, Banyumas and Banjarnegara were agrarian areas.

154 Missive to the governor General, 16 April 1905.
155 G.A.J. Hazeu, "Eerste verslag over een onderzoek naar de administratie en het beheer der Moskeekassen," collection H 1083, no 52.
156 List of Balances of Mosque Funds 1920, Appendix 1.
157 Hazeu, "Korte Aantekeningen over Kaum Toestanden en Moskeekassen."

Although within a few years the reduction of mosque funds was successful, E. Gobée, the adviser for Native and Islamic Affairs, was not satisfied because the malpractices and abuses remained. The main malpractices and abuses that concerned the government can be differentiated into three categories: the use of funds outside their proper purpose, inappropriate use of funds for "religious services and mosque upkeep," and personal use of funds by officials. (See Table 3.2 above). These categories are based on Snouck Hurgronje's report in the attachment of his letter dated 7 October 1905, called "special notes."[158]

The amount of mosque funds was huge (see Appendix 1) and the above table demonstrates that they were used for various "needs" that were not related to the mosques. Some expenditure was for loans for either European or native officials, or even a business company; some was spent on "secular" public needs, such as street lighting and unusual needs such as paying spies; and some went on non-Islamic donations including to the Christian missionary hospitals in Mojowarno. While donations to Christian hospitals (in Rembang, Kediri, and Surabaya) can be rationalised, donations to poor Arabs and Europeans (Rembang, Surabaya, and Kediri) seem odd. Loans to Dutch officials (Pekalongan and Madura), contributions to government administration (Semarang), and for clubs (Pekalongan and Rembang) are extraordinary. Hazeu's investigation at least discovered that such abuses became less in 1907-8, although they remained high.[159]

Apart from the abuses, a number of expenses were actually for public needs such as the construction of hospitals and payment for street lighting. These expenses were regarded as misuse by the government, but not by the people. The government regarded marriage fees exclusively as salary of the *penghulu* and mosque officials. However, it seems that the people thought of it as two different things—namely fees for the officials, and donations for the mosques where the marriage ceremonies took place.[160] In addition, the mosque funds also received income from a portion of *zakat* and *fitrah*, as can be seen from the report of Hazeu.[161]

Therefore, expenditures for the public good and the poor could not be regarded as wrong. Later, in 1931, it seems that the government finally gave

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[158] In addition to this, Snouck designed the regulation of mosque funds called "General Remarks."

[159] Confidential letter to Governor General of the Netherlands Indies, dated 24 January 1908. Hazeu, "Korte Aantekeningen over Kaum Toestanden en Moskeekassen."

[160] This tradition is still practised until today, where amount for donations for mosque and fee for office of religious affairs are clearly set.

[161] Hazeu, "Korte Aantekeningen over Kaum Toestanden en Moskeekassen."

up prohibiting the giving of this money to the poor or for the public good. E. Gobée suggested that the donations for mosques should be managed separately from the fees of marriage services.[162] He argued that gifts to mosque funds were no longer state affairs, but were public affairs. From then on, the tradition of mosque funds has remained in practice and has been exclusively for mosque needs, separated from government fees of marriage services. Indeed, from the early twentieth century, there have been many foundations and institutions focused on the welfare of the poor and the public benefit, as will be discussed in Chapter 4. Gobée consequently made a regulation for the management and administration of mosque funds separately, quite apart from the government.[163]

Conclusion

The accounts of mosque funds, *pesantren*, mosques, and also *zakat* in this chapter demonstrate the development of the "privatisation" of Islamic philanthropy and the escalation of public awareness in supporting public good and change. The Dutch colonial government's secularism policy provided a good basis for the growth of Muslim civil society organisations and institution. By the fact of the Dutch government not being involved in religion and religious charities, philanthropic sources and voluntary efforts grew to empower the community. Indeed, the Dutch administration did not want to endanger itself by becoming involved in religious matters as the majority Muslim native population would think this non-Muslim ruler had no right to be involved with or even to enjoin philanthropic resources.

Thus, to some extent, Dutch government policies empowered the development of Muslim civil society. This observation is very different from the conclusions of the majority of studies of the colonial period, which mostly show the negative impacts of colonisation and the bad treatment of the Dutch government in its dealings with Islam. My conclusion does not diminish the mistakes and shortcomings of the Dutch administration. Rather, this chapter shows that secular governance which does not involve itself with religious matters among the population may provide a breeding ground for the development of religious philanthropy, and also civil society.

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[162] Letter to governor general dated 20 May 1931. R.A. Kern, collection H 797, no 463, KITLV.

[163] Ibid.

Voluntary civil society organisations grew and became stronger in the twentieth century, along with the Islamic Modernist movement and the next chapter will focus on Muhammadiyah, the most successful Modernist organisation to be involved in social welfare.

CHAPTER FOUR

MUHAMMADIYAH AND MODERN PHILANTHROPY BEFORE INDEPENDENCE

Modern philanthropy is a set of activities of giving and volunteering for public needs that are managed by an organised institution. Islamic philanthropic practices—namely *zakat*, *sedekah*, and *waqf*—which were initially practised as direct individual giving and were unmanaged, gradually came to be organised. The first strong attempt to organise Islamic charitable giving was initiated in the early twentieth century by Muhammadiyah, a reformist organisation referred mostly as Modernist. Muhammadiyah was a pioneer in transforming traditional practices of giving into organised philanthropy, by mobilising community resources for social change in the name of religion. Mitsuo Nakamura[1] has pointed out the social action nature that was strongly embodied in Muhammadiyah's reform movements as a modern voluntary organisation. This chapter continues along Nakamura's path in discussing the Muhammadiyah reform in social welfare, particularly its theological basis and its activities which related to *zakat* and *fitrah*. It argues that the modern philanthropy brought by Modernist Muslims worked as non-state movements without any intention to Islamise the state. The movement was supported by the Dutch government but was contested by Islamic Traditionalist leaders out of distrust of the non-Muslim ruler.

This chapter qualifies Muhammadiyah as an Islamic voluntary organisation which has provided modern transformations in philanthropy on the basis of Al-Ma'un theology, a puritan ethos, and Modernism. Al-Ma'un theology originates from the Al-Ma'un chapter (Qur'an 107) and provides a strong basis for Muhammadiyah's benevolent activities. The puritan spirit of Muhammadiyah brings a militant and action-oriented attitude to its implementation of the Islamic teachings of philanthropy. Its Modernist character has allowed this organisation to manage philanthropic activities in a modern organisation.

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[1] Mitsuo Nakamura, *The Crescent Arises over the Banyan Tree, A Study of the Muhammadiyah Movement in a Central Javanese Town* (Yogyakarta: Gajah Mada University Press, 1983).

More than many other Islamic voluntary organisation, Muhammadiyah's work in the area of philanthropy was (and is) exceptional, since it initiated philanthropic practices for social welfare and educational projects, such as establishing and maintaining schools, hospitals, and orphanages. These programmes go far beyond just fundraising, and Muhammadiyah can be seen as a philanthropic organisation when it is compared with the *amil* (*zakat* administrator) institutions that grew later in postcolonial Indonesia (see Chapter 5). Muhammadiyah was an organised collective *amil* which accumulated all forms of philanthropic resources and then managed and redistributed them for the needs of the poor. It was not solely a modern voluntary organisation employing *zakat, sedekah,* and *waqf*, but it was successful as a philanthropic organisation.

This chapter is organised into three main sections. The first section surveys various charitable and welfare initiatives that developed around the beginning of the twentieth century. It will contextualise how the philanthropic activities of Muhammadiyah grew and how the organisation deserves to be called the pioneer of reform in Islamic philanthropy in Indonesia. The second section will discuss Ahmad Dahlan's thought and the organisational formation of Muhammadiyah's concern for social welfare, which was supported by the Dutch government. The last section will show the resistance of the Islamic Traditionalist leadership of Nahdlatul Ulama to Muhammadiyah's reform activities in *zakat* and *fitrah*.

Discourses on Reformation in Philanthropic Practices

Muhammadiyah's reforms of modern charitable practices were a product of the time, when the wind of Islamic reform was blowing strong mostly among Muslim thinkers and activists. The reforms of *zakat* and *fitrah* were triggered by criticism about improper practices involving *zakat, fitrah*, and mosque funds, as well as the influence of established Western and Islamic charitable institutions.

Critical questions were posed on the existing practice of *zakat, fitrah* and mosque funds. The *fatwas* of *Muhimmat al-Nafa'is* on the improper collection and use of *zakat* and *fitrah* elaborated in Chapter 3 resounded strongly in the early twentieth century. *Fatwa* number CVII[2] was published again in at least two magazines in Indonesia and was elaborated accordingly in Hoesein Djajadinigrat's dissertation on Islamic law and the reli-

[2] See Chapter 3, p. 123.

gious life of Indonesian Muslims.[3] The involvement of the Dutch government in managing mosque funds evoked strong criticism from the people on issues of corruption, transparency and efficiency and this last issue triggered reforms in *zakat* management and also mosque fund management. This can be seen, for example, in a newspaper article entitled "Oeang mesigit haroes digoenakan boeat kaperloean boemipoetera" [Mosque funds should be used for the needs of natives].[4] The author of the article did not focus upon the legal nature of *zakat* and *fitrah*, but proposed efficiency in *zakat* and *fitrah* management. This thought was probably an expression of the Modernist Muslims, who were not really concerned with *fiqh* but had a strong commitment to the modern and rational practice of charity.

The reform in *zakat* collection and distribution went to some extent against the payment of *zakat* and *fitrah* to *'ulama* and rulers in local villages. It not only produced voluntary committees and organisations for the collection and distribution of *zakat* and *fitrah*, but also sharpened the conflicts between the so-called Traditionalists and Modernists, as will be shown in Section Four.

The reform of *zakat* and *fitrah* practices came from Modernist Muslims, who had secular as well as religious educational backgrounds. They used a modern approach which did not rely on the four traditional Islamic schools of law or *fiqh* authority and their reform focused on the essential benefit of *zakat* and *fitrah*, namely alleviating the needs of the poor. Therefore, the impact of this reform was a movement to take back *zakat* and *fitrah* payments from the local *'ulama,* such as *lebai* and *modin* (religious persons who deal with religious gatherings and daily religious needs) and *penghulu* (religious officials who have the authority to perform marriages) and direct it to organisations that could distribute them to the poor. The reform most probably began in the second decade of the twentieth century, encouraged by Muhammadiyah.

Influences from Dutch and Islamic Charities

The activities of modern charitable organisations, whether from "Western" Dutch influence or from Muslim institutions, probably inspired the development of modern charitable institutions by native Muslims. Among these

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[3] RA. Dr. Hoesein Djajadinigrat, *De Mohammedaansche Wet en Het Geestesleven der Indonesische Mohammedanen* (Weltevreden: G. Kolff & Co, 1925).

[4] See Chapter 3, p. 148.

institutions were the Red Cross society, Christian orphanages and hospitals, and the *waqf* of Al-Azhar University.

The Netherlands Red Cross (Het Nederlandsche Rode Kruis – NRK) was first established in 19 July 1867 and its Batavia branch (the first branch in the Netherlands Indies) was established on 8 October 1870 under the name Batavia Committee of the Red Cross (Bataviaasch Comité van het Roode Kruis). The name changed many times to accommodate the organisation's functions and distribution[5] and from the 1930s onwards it operated under the name of the Netherlands Indies Red Cross (NIRK). By 1871 the NIRK had collected donations of *f.* 90,000, of which *f.* 60,000 was sent to the Netherlands Red Cross in the Hague.[6] In 1875 the NIRK had branches in Batavia, Padang, Semarang, Surabaya and Makassar. It established three clinics in the area of Batavia and Bogor in 1920 and it established a hospital in 1929.[7]

Orphanages and hospitals of both Protestant and Catholics missions had been long established in Indonesia.[8] The government also provided subsidies for them. A Protestant orphanage in Semarang, for example, was reported as receiving *f.* 62,000 as its annual subsidy in 1904.[9] Christian mission hospitals were well known among Indonesian Muslims, not only for the quality of their service but also because of the rarity of public hospitals. A missionary hospital of Mojowarno was in fact the recipient of regular donations from several mosque funds in Java, such as from the residencies of Rembang, Surabaya, Kediri, and Cilacap.[10] Scholars such as Deliar Noer and Abdurrachman Surjomihardjo have shown that Muhammadiyah did not only respond to the social and educational activities of Protestant and Catholic missions but also openly adopted their charitable institutions.[11]

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[5] F.G.P. Jaquet, *Gids van in Nederland Aanwezige Bronnen Betreffende de Geschiedenis van Nederlands-Indie/Indonesie 1816-1942,* vol 2 (The Hague: KITLV, 1970), p. 21.

[6] H. Umar Mu'in, *Gerakan Palang Merah dan Bulan Sabit Merah Internasional & Perhimpunan Palang Merah Indonesia* (Jakarta: Gramedia Pustaka Utama, 1999), p. 123.

[7] Jaquet, *Gids*, ibid.

[8] Philanthropic works of Dutch *zending* (missions) and missionaries in the archipelago were focused on education and health. Several accounts on educational and health charities can be seen in Karel Steenbrink, *Catholics in Indonesia 1808-1942*, 2 vols. (Leiden: KITLV Press, 2003 and 2007). See for example Vol 1, p. 199, vol 2, pp. 172-4, 390-4. TH. Sumartana, *Mission at the Crossroads: indigenous churches, European missionaries, Islamic associations and socio-religious change in Java, 1812-1936* (Jakarta: BPK Gunung Mulia, 1994), and TH. van den End, *Ragi Carita: Sejarah Gereja di Indonesia*, 3rd ed. (Jakarta : BPK Gunung Mulia, 1989).

[9] This subsidy was an increase from the annual subsidy issued in the previous year of 1874. See *Bijblad op het Staatsblad* no 5986, 1906.

[10] See Chapter 3, p. 76.

[11] Deliar Noer, *The Modernist Muslim Movement in Indonesia 1900-194* (Singapore: Oxford University Press, 1973), pp. 79-80, and Abdurrachman Surjomihardjo, *Sejarah Perkembangan*

The *waqf* of al-Azhar University in Cairo was famous as an archetype of the Islamic philanthropic institution, as well as a milestone for Islamic studies and the influence of the al-Azhar *waqf* was distributed through Indonesian students and alumnae of Al-Azhar University, who benefited from its generous scholarships to study and live in Cairo supported by *waqf* revenues.[12] The passion and endeavour to establish a comparable institution to Al-Azhar was the inspiration for a number of modern *pesantren* as educational *waqf*.[13]

Charitable Initiatives by Native Indonesians

Along with the traditional *waqf* institution that has been developed in almost all areas in Indonesia,[14] modern foundations were also developed by Modernist Muslims. One example of this is the Kas Wakaf Kemerdekaan Pergerakan Sarekat Islam (Independence Waqf Fund of the Sarekat Islam Movement). This *waqf* fund was formally established on 24 December 1918 by Sarekat Islam "[a] to assist victims and their families fighting for the Indonesian movement for independence, and [b] to support endeavours for the Indonesian movement for independence," without restriction of religion or nationality.[15] This so-called *waqf* fund was actually a modern foundation which had nothing to do with the traditional *waqf* endowment. The fund also came from donations from its founders, such as Semaun, and business support behind Sarekat Islam, such as *Sinar Hindia*.[16]

Another example of the global influence of charitable institutions is the presence of the Committee of the Red Crescent Society of Netherlands-

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Sosial Kota Yogyakarta 1880-1930 (Yogyakarta: Yayasan untuk Indonesia, 2000), pp. 71-6. Abdurrachman particulary shows that the development of native education in Yogyakarta strongly encouraged by private (*partikelir*) schools which were initially dominated by Protestant ones.

[12] See, Chapter 1, p. 31. About the link of Al-Azhar Indonesian students, see Mona Abaza, *Islamic Education, Perceptions and Exchanges: Indonesian Students in Cairo* (Paris, Asociation Archipel, 1994).

[13] One *pesantren* that was clearly influenced by Al-Azhar was the Pondok Modern Gontor at Ponorogo.

[14] Koesoemah Atmadja, *Mohammedaansche Vrome Stichtingen in Indie* (S'Gravenhage: Adi Poestaka, 1922).

[15] Charter of Kas Wakaf Kemerdekaan Pergerakan Sarekat Islam, see "Kas Wakaf Kemerdikaan Pergerakan Sarekat Islam," *Sinar Hindia*, December 31, 1918. On *waqf* funds see also "Bestuurvergadering C.S.I," *Sinar Hindia*, December 28, 1918; "Koeat Sama Koeat," *Sinar Hindia*, January 7, 1919; *Oetoesan Hindia*, January 7, 1919 no 4; *Oetoesan Hindia,* January 9, 1919, no 6; *Oetoesan Hindia,* January 13, 1919 no 18; *Sinar Hindia,* December 18, 1918; *Sinar Hindia*, December 29, 1918 (no 259) and *Sinar Hindia,* December 30, 1918.

[16] See the list of donors in "Kas Wakaf Kemerdikaan," ibid.

Indies (Al-Hilal al-Ahmar Hindia Belanda). It was established in 1915 by Sayyid Hasan b. Semit, a leader of Sarekat Islam in Surabaya, and was supported by Sarekat Islam (SI).[17] The Dutch government related this committee to the Ottoman war and support for the Ottoman Sultanate.[18] In 1918 this committee was part of the Sarekat Islam as can be seen from the financial report of Central Sarekat Islam published in the *Oetoesan Islam* newspaper.[19] The report also mentions that the committee raised funds of *f.* 23,349.78, of which *f.* 21,747.00 was sent to Constantinople.[20]

There is little possibility that Al-Hilal Al-Ahmar was active from around 1920, especially due to the Ottoman policy to end the caliphate, a policy that was not popular in Indonesian Muslim communities—or indeed among Muslims worldwide—because it was regarded as diminishing the role of Islam. The organisation also became forgotten along with the waning of Sarekat Islam, but has been recently revived in the *Reformasi* period.[21] Indonesia was and is among few countries that have had both Red Cross and Red Crescent Societies.[22]

Relief activities and also fundraising were carried out by various constituencies, from social, political, religious, ethnic organisations to bureaucrats, to work for the victims of disasters such as floods, famines, epidemics, volcanic eruptions, and earthquakes. Among the relief committees in 1918-1919 were the Committee for "relieving famine" in Surabaya,[23] the committee to help the victims of a flood in Bangil,[24] and the Relief Committee of Sarekat Islam Trenggalek to assist the victims of famine.[25] The Assistant Resident and native officials at Boyolali initiated fundraising

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[17] S.L. van der Wal, *De Opkomst van de Nationalistische Beweging in Nederlands-Indie, Een Bronnenpublikaties* [*The Emergence of the Nationalist Movements in the Netherlands-Indies*] (Groningen: J.B. Wolters, 1967), p. 400.

[18] Ibid.

[19] See *Oetoesan-Islam*, 30 December 1918.

[20] Ibid.

[21] In 2002 the Indonesian Red Crescent Society or Bulan Sabit Merah Indonesia was created. See Chapter 6, p. 251.

[22] The Red Cross is named the Red Crescent in Islamic countries as both the symbol and the name are regarded as a symbol for Christianity or the Crusades. For more about the political and ideological nature of the names and the movements in Islamic societies see Jonathan Benthall, "The Red Cross and Red Crescent Movement and Islamic Societies, with Special Reference to Jordan," *British Journal of Middle Eastern Studies*, vol 24 no 2 (1997), pp. 157-77. Benthall also shows that the British had a short term Red Crescent Society between 1912 and 1920.

[23] It published a fundraising report in *Oetoesan Hindia*, February 21, 1918.

[24] "Derma boeat Bangil," *Oetoesan Hindia*, January 15, 1918.

[25] *Oetoesan Hindia* 10 June 1919 as quoted from IPO, 24/1919

activities for the victims of the influenza epidemic.[26] In Batavia, a ladies' committee held a charity market (Pasar Derma) for the assistance of victims of the Mount Kelud eruption[27] and the Sultan and the Crown Prince of Yogyakarta each donated *f.* 1,000 for the victims of the eruption.[28] In Tumpang, Malang, Sarekat Islam held a fundraising show, "Pencak Macanan," for the Relief Committee of Blitar,[29] and Sarekat Islam Jowodwipo held a fundraising bazaar night.[30] Even Sarekat Islam Tumpang and the Chinese organisation Tiong Hwa Hwee Koan organised a charity puppet show in May 1919.[31] These two organizations, which had different ideologies and opposed each other in 1912, were able to work together for charitable purposes. Charitable fundraising helped to relieve suffering not only in Indonesia but also abroad.[32]

Modernism transformed charitable and humanitarian committees into organised charitable institutions, such as orphanages, hospitals and houses for the poor. One example was the Relief Committee of Sarekat Islam Trenggalek mentioned above, which was later transformed into Disaster Funds (Noodfonds) and gave support to victims of any disaster. One of its activities was supporting victims of a fire in Kwitang, Betawi, probably at the end of 1918. Later, in February 1919 this fund was extended to build a poor-house in Trenggalek that provided food for approximately 60 poor people each day.[33]

The concern to alleviate poverty and assist victims of natural disasters did not stop at relief work, but also included changes in policy. One example came in February 1918, when Central Sarekat Islam launched a national movement for preventing famine by lobbying the government and "capitalists."[34] It demanded that the government reduce and control the prices of main foodstuffs and provide cheap foodstuffs for the people.

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[26] *Sinar Hindia*, 9 January 1919.

[27] "De Pasar Derma Keloet," *Neratja* 9 June 1919, as quoted from *I.P.O* no 24/1919. It recounted with pride that Indonesian women could also participate in supporting the public need.

[28] "Oentoek Korban Kelut," *Oetoesan Hindia*, July 19, 1919.

[29] *Oetoesan Hindia,* June 10, 1919.

[30] *Oetoesan Islam*, December 30, 1918.

[31] Ibid.

[32] For example, there was an advertisement for a charitable opera (Opera Derma), probably held in Minangkabau, where the proceeds were to be given to the committee for the relief of distressed people in the Netherlands. Its advertising says "Santoenilah sesama manoesia jang dalam sengsara[please help fellow human beings who are miserable]." See *Oetoesan Melajoe*, 18 January 1919.

[33] "Tolong, Tolonglah," *Neratja*, February 19, 1919.

[34] A full page of the *Oetoesan-Hindia* of 15 February 1918 was dedicated to the campaign's launch and guidelines.

Transparency and Accountability

The activities of charities in this period display a culture of transparency and accountability, because these organisations survived by voluntary donations. In carrying out that work various voluntary organisations and charitable activities used newspapers and magazines to report on their fundraising and their financial balance, including lists of donors.[35] Sarekat Islam and Muhammadiyah were probably the two main organisations to pioneer the use of written media to report their charitable and financial reports. Sections of Sarekat Islam, such as "Tentara Kanjeng Nabi Muhammad" (the Army of the Prophet Muhammad), also published a fundraising report.[36] The Tabligh section of Muhammadiyah published a half-yearly report in 1918, which included a financial report, in *Oetoesan Islam*.[37] Central Sarekat Islam published a periodical financial report in the same newspaper.[38] Muhammadiyah almost always published its reports, including financial reports and list of donors, in its own media such as *Soeara Muhammadiyah*.

Publicity for general fundraising such as for rallies and unionism, was also published in newspapers such as *Sinar Hindia*.[39] Newspapers, which became a means for fundraising as well as for presenting reports, in turn functioned as charitable organisations, working to collect and distribute donations. For example, the newspaper *Oetoesan Hindia* published a story of a poor widow. Later, it received several donations from its readers which it gave to the widow.[40]

The early twentieth century showed an impulse toward using and modernising charity, this "modernising charity" being an aspect inherently included in what Takashi Shiraisi called the "age in motion."[41] The strong

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[35] See the report on donors of *waqf* funds of Sarekat Islam in "Bestuurvergadering C.S.I," Sinar Hindia, 28 December 1918.

[36] *Oetoesan Hindia*, 16 January 1918, and "Derma Kepada Comite T.K.N.M," *Oetoesan Hindia*, February 21, 1918.

[37] "Verslag Jang Kedoea Taoen 1918 dari Tableg, de vereeniging comite Mochamadijah Djaokjakarta," *Oetoesan-Islam*, 23 September 1918. Fundraising report of TKNM

[38] "Pemberian Tahoe. Laporan Keuangan Central SI oleh Sayid Hasan bin Semit," *Oetoesan-Islam. Soeara Kaoem Moeslimin di Hindia-Belanda*, 30 December 1918.

[39] See for example the report on the fundraising for labour demonstrations held by the PPBB (persatuan Pergerakan Buruh Bumiputra) in *Oetoesan Hindia*, 14 January 1918, and *Oetoesan Hindia*, 15 January 1918.

[40] *Oetoesan Hindia* 21 February 1918. The report about the suffering of the widow was published in *Oetoesan Hindia* on 31 January 1918.

[41] Takashi Shiraishi, *An Age in Motion Popular Radicalism in Java, 1912-1926* (Ithaca: Cornell University Press, 1999).

Dutch government provided a political and social space for the development of Muslim civil society organisations, and the growth of voluntary and charitable organisations was an indication of the strength of civil society.

In a situation where charitable and voluntary organisations had been mushrooming, Muslim Modernist organisations followed the trend of creating charitable organisations by basing themselves upon Islamic teachings. Muhammadiyah was the one that took the aspect of philanthropy seriously, based on its combination of Al-Ma'un theology, its adaptation into a rational and modern organisation, and its puritanical spirit.

Muhammadiyah's Philanthropic Reform

This section discusses Muhammadiyah's reforms for the advancement of social welfare, which entailed bottom-up efforts that were independent from the state but which sought collaboration with it. The section will show a transformation from the theological thought of Muhammadiyah's founder to a voluntary activism and philanthropic reform.

Three Bases for Muhammadiyah's Charity

There are three main aspects behind Muhammadiyah's philanthropic reforms: Al-Ma'un theology, Modernism, and puritanism.

Al-Ma'un theology refers to Chapter 107 of the Qur'an, entitled Al-Ma'un (small kindness, almsgiving). It reads:

> Have you considered him who calls the judgement a lie? That is the one who treats the orphan with harshness; and does not urge (others) to feed the poor. So woe to the praying ones who are unmindful of their prayers, who do (good) to be seen and withhold the necessaries of life.[42]

These verses generally encourage generosity, particularly support for orphans and the poor. They demonstrate an understanding of existentialism, making it clear that religious rituals, such as prayers, should have social effects. Therefore, those who are unkind to orphans and the poor are labelled as hypocrites. The idea of religious morality, especially from this Qur'anic chapter, Al-Ma'un, was given serious attention by the founder of Muhammadiyah, Kyai Haji Ahmad Dahlan (1868-1923). It provided the impetus for Muhammadiyah's pursuit to become the best group or com-

[42] Qur'an 107:1-7.

munity (*khair ummat*) that "ordains the good and forbids the bad" (*ya'murun bi al-ma'ruf wa yanhau 'an al-munkar*).[43] This core value was set by Dahlan and became the motto of Muhammadiyah together with another motto set by Dahlan—a man who was a practical person—namely to "talk little, [but] do much" (*sedikit bicara, banyak bekerja*).

The story of how Dahlan practised the theology of Al-Ma'un reflects his thoughts on creating "the best group." It has been told by many of his biographers,[44] but the most complete account was written by Yusron Asforie.[45] Apparently Dahlan repeatedly discussed the interpretation of the Al-Ma'un chapter in his lectures after the dawn prayers in the early years of Muhammadiyah. One of his students, H. Sujak, who later became the chief of Assistance for the Relief of Public Suffering (PKU), once asked why he always focused on this particular chapter. Dahlan responded by asking his audience whether they had already understood and carried out (*mengamalkan*) what is instructed in Surah Al-Ma'un. Sujak answered that he and his friends understood it and recited it during prayers, but did not know what they were supposed to put into practice (*mengamalkan*). Dahlan explained what he meant and said "I am afraid you haven't practised the verses. From today, go around to find the poor and orphans and bring them to your house. Give them good soap for bathing and clean clothes to wear; give them food and drink, and a place to sleep in your house." Dahlan closed the meeting by asking everyone to do what he had instructed.[46]

In addition to the Al-Ma'un theology, Modernism and puritanism contributed important elements to the creation of a strong movement to organise charity and change the culture of direct giving. Modernism contributed to Muhammadiyah a certain mechanism that created long term and legal effects, while Modernists themselves brought a culture of rational thought. Among the products of Modernism were the establishment of (modern) schools, hospitals and orphanages, the registration of donors and *waqf* properties, and a culture of transparency and accountability. The puritan spirit contributed a rationalised approach to religious teachings on philanthropy. In other words, Muhammadiyah's war against superstition, non-authentic religious inventions and religious delusions

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[43] Qur'an 3:104.

[44] Among others see Yunus Salam, *Riwayat Hidup KHA Dahlan Amal dan Perdjoangannya dan Pendiriannya*, 2nd ed. (Jakarta: Depot Pengajaran Muhammadiyah, 1968).

[45] M. Yusron Asrofie, *Kyai Haji Ahmad Dahlan Pemikiran dan Kepemimpinannya* (Yogyakarta: Yogyakarta Offset, 1983), p. 50.

[46] Ibid. Also see Salam, *Riwayat Hidup KHA Dahlan*.

(*tahayul, bid'ah* and *churafat*, abbreviated as TBC)[47] was also initiated in charitable matters. Among the products were *ijtihad* on organised payment and distribution of *zakat* and use of *zakat* for organisation. Without Modernism and a puritan spirit, Al-Ma'un theology would not have had its strong effect.

Philanthropy was one of Dahlan's three important reforms. Hamka has discussed Dahlan's three concerns regarding the situation of Indonesian Islam: the backwardness of Muslim communities because they ignored the Qur'an and the *hadith*, Muslim poverty, and the backward nature of Islamic education.[48] Accordingly, Dahlan's main work, according to Hamka, was the movement to return to the Qur'an and the *hadith*; the establishment of orphanages, hospitals, houses for the poor and such like; and finally, the establishment of schools and printing to reform Islamic education.[49] In other words, the three concerns were religious purification, education and charity. These are embedded in the Muhammadiyah departments, namely Religious Dissemination (Tabligh), Education, and Social welfare. Although Muhammadiyah's departments have changed over time in terms of names and number, they can still be differentiated according to these concerns.[50] See Table 4.1 below.

The combination of these three elements made Muhammadiyah a pioneer, changing the traditional way of giving across three aspects: reinterpreting philanthropic practices, managing philanthropic resources, and channelling these resources. These three aspects will be incorporated into the discussion of Muhammadiyah's social and welfare section, abbreviated as PKU (Penolong Kesengsaraan Umum,[51] "Assistance for the Relief of Public Suffering," later called Pembina Kesejahteraan Ummat, "Ummat Welfare Guide").

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47 On TBC see Abdul Munir Mulkhan, *Islam Murni dalam Masyarakat Petani* (Yogyakarta: Bentang Budaya, 2000). The use of TBC was also intended to say that these "social illness" were as dangerous as tuberculosis, which has also been abbreviated as TBC.

48 Hamka, "K.H.A. Dahlan," in *Kitab Peringatan 40 Tahun Muhammadijah Sedjarah Pertumbuhan dan Bentuk Organisasi* (Jakarta: Panitia Pusat Perajaan 40 tahun berdirinya Perserikatan Muhammadijah, 1952), p. 30.

49 Ibid.

50 For detailed discussion of the development of Muhammadiyah's structure, departments and programs, see Drs. H. Musthafa Kamal Pasha, B.Ed and Ahmad Adaby Darban, SU, *Muhammadiyah sebagai Gerakan Islam* (*dalam Perspektif Historis dan Ideologis*) (Yogyakarta: Lembaga Pengkajian dan Pengamalan Islam-LPPI, 2000), pp. 93-110.

51 The word "umum" was written as "oemoem" hence the abbreviation PKO. The name has been changed many times, reflecting different focuses and periods, but the abbreviation has remained the same.

Table 4.1 Departments within Muhammadiyah in Selected Years

Years	*Department According to the Three Concerns*		
	Religious Purification and Proliferation	*Education*	*Charity/Philanthropy*
1914	Tabligh (focuses on religious proliferation)	Schools	
1920	Tabligh	Schools	Assistance for the Relief of Public suffering (PKU)
		Taman Poestaka (Publication House)	
1952	Tabligh	Teaching	Carer for the Welfare of Ummat
	Tarjih (on religious law)		Waqf and wealth
	Hikmah (on politics)		
1974	Tarjih	Education/Learning/ Culture	Carer for Community Welfare
	Tabligh		
	Hikmah		
2005	Tarjih and Tajdid	Primary and Secondary Education	Economic and Entrepreneurship
	Tabligh and Da'wa (Islamic propagation)	High Education and Research	Public Health and Welfare
	Cadre Development		Community Empowerment
			Waqf and ZIS (*Zakat*, *Infak* and *Sedeka*h)

Sources: P.B. [Pengoeroes Besar] Muhammadijah Jogjakarta, *Muhammadijah, Anggaran Dasar, Anggaran Rumah Tangga, Qaidah-qaidah, dan sebagainya* (Yogyakarta: Persatuan, 1952); *Landasan Hukum Persyarikatan Muhammadiyah dan Amalusahanya* (Yogyakarta: Persatuan, [1977]), 25; and Persyarikatan Muhammadiyah, "Pimpinan Pusat Muhammadiyah [Central Board of Muhammadiyah] 2005-2010", http://www.muhammadiyah.or.id/index.php?option=com_content&task=view&id=63&Itemid=27 [accessed December, 6 2007].

PKU Activities

The PKU initially grew out of the activities of Dahlan's students, who convened religious lectures and collected donations to support these.[52] The

[52] For a history of the establishment of the PKU see Sudarman, "Muhammadiyah dan Kesalehan Sosial (Kasus Majlis PKU dalam usaha Penyantunan Anak Yatim 1980-1990)" (Masters thesis, IAIN Sunan Kalijaga Yogyakarta, 2003), pp. 71-7. Ahmad Adaby Darban,

students worked in four divisions, namely *tabligh* (religious dissemination), publication, education, and assistance for the relief of public suffering (PKU).[53] According to Deliar Noer, the PKU section was first established as a relief committee for the victims of the Mount Kelud eruption in 1918[54] and it seems that the committee was quite successful. *Oetoesan Hindia* reported that around July 1919 its total income from donations amounted to *f.* 5,067.13.[55]

It was only from 1918 that Muhammadiyah's social and welfare programmes developed well, when students of Dahlan organised themselves with his support. Although Dahlan's thoughts and concerns on social welfare may have been expressed earlier, Dahlan was probably too busy defending his new organisation from the opposition of traditionalist leaders. Haji Sujak, one of Dahlan's prominent students, played a significant role in the establishment and development of the PKU.[56]

The activities of the four divisions created by Dahlan's students were incorporated into the Muhammadiyah programme in June 1920, and it expanded widely from there. In January 1923 the PKU opened its first house for the poor, the Rumah Pertolongan PKU (PKU Assistance House), and in February 1923 the PKU opened its first clinic.[57] The orphanage was established before 1923, when orphans were among the main concerns of Muhammadiyah and the PKU. Even though the number of orphans at the PKU orphanage was only 35 in 1929,[58] this was regarded as a success since sending orphans to an orphanage was not culturally supported.[59] The establishment of clinics and orphanages was far fewer than the growing number of Muhammadiyah schools. It was difficult to get medical doctors, as government hospitals were rare,[60] so Muhammadiyah also employed Dutch doctors in its PKU clinics.

Sejarah Kauman: Menguak Identitas Kampung Muhammadiyah (Yogyakarta: Tarawang, 2000).

53 Sudarman, *Muhammadiyah dan Kesalehan Sosial*, pp. 72-4.

54 Deliar Noer, *The Modernist Muslim Movement in Indonesia 1900-1942* (Singapore: Oxford University Press, 1973), p. 78.

55 *Oetoesan Hindia*, July 1919, as quoted from *I.P.O* no 29/1919.

56 The role of Sujak can be seen in his book, *Islam Berkemajuan Kisah Perjuangan K.H. Ahmad Dahlan dan Muhammadiyah Masa Awal* (Jakarta: Al-Wasat, 2009), pp. 102-4.

57 Sudarman, *Muhamadiyah dan Kesalehan Sosial*, pp. 72-82.

58 Moehammadijah Bg. Taman Poestaka Hindia Timoer, *Soeara Moehammadijah*, congres-nummer no 14 t/m 21, April 1929, p. 22.

59 Today Muhammadiyah's support for orphans has changed. It is less concerned with orphanages, but more with those orphans living with families.

60 This is something for which Catholic missionaries harshly criticised the government. See Steenbrink, *Catholics in Indonesia.*

There were three main areas of work of the PKU programme in the early years—namely (1) helping the poor by providing poor-houses, (2) helping orphans by providing them with accommodation, clothes, food, and religious and secular education, and (3) helping the sick by providing clinics, hospitals, and a polyclinic.[61] In addition, the PKU also responded to other occasional needs and emergency relief, and its office opened daily to provide this assistance.[62] In 1923 the PKU started to provide funeral services[63] and later extended this to the collection and distribution of *zakat, fitrah* and *Qurban* (animal sacrifice).[64]

Before the independence of Indonesia, PKU was pluralist and moderate and these attributes can be seen in an account of the PKU that was written in 1929 to guide the establishment of new PKU branches. According to this guide, the basic principles (*azas*) of the PKU were as follows.

> Muhammadiyah's PKU works and assists the alleviation of public suffering without looking at other parties' work, and without serving other people who want to obtain public influence. It works solely because of the instruction of Islamic teachings brought by our Prophet Muhammad, peace be upon him, and following his tradition.
>
> So, the basis for assistance of Muhammadiyah's PKU is like an oasis that is pure (*jernih*) and clean, located in a place accessible to everyone no matter what nationality and religion they have. It is for whoever can get the water as long as they do not deliberately destroy the stream and close the oasis.
>
> Assistance for Muhammadiyah's PKU is not a dragnet to attract people to become Muslim or to join Muhammadiyah, but it solely fulfils the Islamic obligations for all groups, irrespective of religion. It does not intend to defend any self-interest or group, so as to remain superior to those who are assisted. Its aim is not to keep the poor under constant assistance, but to keep all danger of suffering and baseness away from each individual as well as from their respective communities.[65]

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[61] M. Abdoellah, "Moehammadijah Bg. PKO Hindia Timoer," *Almanak Moehammadijah Tahoen Hidjrah 1348* (Djokjakarta: Pengoeroes Besar Moehammadijah bahagian Taman Poestaka—Drukkerij Persatoean Moehammadijah DK, 1348 H [1929]), pp. 120-1.

[62] Ibid.

[63] "Nota over de Islamitische Eredienst 1923," in R.A. Kern, Collection H 797, no 200. It is a detailed report on the speeches at the general meeting of Muhammadiyah in 1923.

[64] *Reglement* [regulation] *Moehammadijah b/g Penolong Kesengsaraan Oemoem* (*P.K.O*) *Hindia Timoer di Djogjakarta* (Yogyakarta: Muhammadiyah, nd [between 1923-1934]), shortly *Reglement PKU*, pp. 5-6.

[65] M. Abdoellah, "Moehammadijah Bg. PKO Hindia Timoer," pp. 120-1. Many PKU documents, including this, used term "*bangsa*" which in recent context usually translated as nation. In the colonial time this presumably referred to groups such as Javanese, Malay, Chinese, Arab, Dutch, and British. Here I translated the words "*bangsa*" into group.

This quotation reflects PKU principles, which were tolerant, pluralistic, and religious. PKU maintained an Islamic basis, but stressed the promotion of the public good with less of an intention to Islamise or "Muhammadise" others. Although it clearly stated its aims for a purely humanitarian mission, it certainly could not be separated from the general mission of Muhammadiyah's *da'wa* movement. The PKU's *da'wa* mission was not verbalised; rather, it became the secondary aim after humanitarian intention. The promotion of humanitarian values from charity can be seen in many other documents of PKU, including its invoices. Receipt donations prepared by the PKU in 1929 contain a declaration as follows:

> I understand and acknowledge that there is no more truthful and worthy act in this world than "HELPING." I understand and acknowledge that all kinds of giving are entitled for the poor and orphans who are in need and neglected. I understand and acknowledge that giving is not because of reciprocity, but to follow the command of God and the teaching of the Prophet Muhammad p.b.u.h and to improve morality.[66]

A much clearer principle of non-discrimination of religion, group, and nationality can be seen in the Regulation of the PKU, issued between 1929 and 1934, especially in Article 3 (on the basis of activities), and Articles 5 (on membership) and 13 (regarding donors).

> Article 3: The work of the PKU is based on the Islamic principle of helping those who are suffering *without consideration as to group or religion*.[67]
>
> Article 5, item 3: Donor members: Everybody may become a donor member *irrespective of their religion or group* ...[68]
>
> Article 13: A donor is any person—*without discrimination as to group or religion*—who would like to donate to this institution at least *f.* 100 (one hundred rupiah[69]) as a single contribution, or at least *f.* 0.50 every month. ...[70]

The above articles show that PKU fundraising went beyond religion, group, and nationality. It was possible that the PKU targeted Dutch and non-Muslim figures as its donors. With these principles, the policy of PKU clinics which employed Dutch medical doctors can be understood. Furthermore, PKU institutions such as poor houses received support from government and bureaucrats, which shows the policy of Muhammadiyah in general to be accommodative to the government.

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66 Ibid, p. 123.

67 *Reglement PKU*, p. 4.

68 Ibid., p. 8. Italics are by the author.

69 The document uses the symbol for Dutch guilders but describes it as rupiah. Such a use is found in other reports and documents of Muhammadiyah during the Colonial period. Italics are by the author.

70 *Reglement PKU*, p. 8. Italics are by the author.

The employment of Dutch doctors and the acceptance by Muhammadiyah of government funding were strongly criticised, in the main by Traditionalist leaders.[71] The strongest criticism related to subsidies for schools in the situation where *pesantren*, which were mostly under Traditionalist leadership, received no government subsidies and tried to oppose any chance for the government to involve itself in *pesantren* education. The Taman Siswa school, which had a nationalist ideology, also rejected the government curriculum and, as a result, Muhammadiyah's policy of accepting government subsidies was not popular.

Muhammadiyah's persistence in collaborating with the government provided more benefit where it received government assistance. For example, in 1936 Muhammadiyah received *f.* 63,293.45, which was 57 per cent of its total income, and in 1940 received *f.* 101,996.41, which was 48 per cent of its total income.[72] Nevertheless, Muhammadiyah remained openly critical of government policies, including the policy on subsidies itself, stating that the subsidy payments were not fair. Data published by *Soeara Moehammadiyah* indicate that from the total amount for religious costs in 1935 (*f.* 1,146,700), Islam only received 1 per cent (*f.* 7,500) while Protestants received 70 per cent (*f.* 804,000) and Catholics 29 per cent (*f.* 335,200).[73] Muhammadiyah's demand to get more equitable subsidies from the government was clearly voiced in XVII Congress of 1928, which caused an incident. A delegate from Betawi (Jakarta) gave a speech that mentioned the inequitable nature of government subsidies. The speech was stopped by a high-ranking native official (Asisten Wedono) and the Muhammadiyah board was also called to the Resident's office after the incident.[74] The board of Muhammadiyah supported the plea, providing data to indicate that from total subsidies of *f.* 1,666,300, only *f.* 3,950 went for Islam.[75] It was regarded as unfair, given that these government moneys were taken from

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[71] Most criticism is recorded in the "general review" (*pemandangan umum*) articulated by leaders of Muhammadiyah at each general meeting (congress). The employment of Dutch doctors, for example, is mentioned in M. Anies, "Pemandangan diatas Kemadjoen Agama Islam dan Pergerakan Moehammadijah Hindia Timoer Tahoen 1928," in *Almanak Moehammadijah Tahoen Hidjriyah 1348*, p. 21 and in Sujak, "Pemandangan Oemoem," *Soeara Moahammadijah*, 1920.

[72] See the Report of Muhammadiyah Central Board 1936 and 1940 in the Appendix 2.

[73] S. Tj [initial], "Subsidie (Oeang Bantoean) Pemerintah Hindia-Belanda bagi Keperloean Agama Islam dan Christen, boeat tahoen 1935," in *Almanak Moehammadijah Tahoen Hidjrah 1354* (Djokjakarta, Pengoeroes Besar Moehammadijah bahagian Taman Poestaka, [1934]), pp. 221-2.

[74] Anies, "Pemandangan diatas Kemadjoean Agama Islam," p. 17.

[75] Ibid.

the population of the Netherlands Indies, where Muslims were the majority.[76]

It seems that the general policy of Muhammadiyah toward the government—one which worked between accommodation and criticism—remained consistent until the end of the Dutch era. Nevertheless, the internal policy with regard to nationality and religious tolerance changed along with the strong discourse of nationalism and independence during the 1940s. After Indonesian independence, none of the principles of ethnic and religious discrimination were clearly mentioned in Muhammadiyah's documents. The Charter (*Anggaran Dasar*) of 1952 and 1969 and its bylaw (*Anggaran Rumah Tangga*)[77] do not state these principles, nor do they appear in the regulations of the PKU either.[78]

Community-based Fundraising

Muhammadiyah's charitable activities were implemented not only by the PKU, but also by other sections of Muhammadiyah. For example, Aisyiyah, the women's wing of Muhammadiyah, had orphanages that later outnumbered the PKU's orphanages. Charitable programmes, voluntarism and *gotong royong* (lit. working together; mutual self-help) can be seen all over Muhammadiyah's activities. One example is the implementation of the National Congress of Muhammadiyah. Reports of these congresses (national meetings) of Muhammadiyah, which were published in detail in *Soeara Moehammadiyah*, are full of this self-support activity, ranging from members' contributions and cash donations, to in-kind gifts from members and non-members.

The two main resources of the congresses of Muhammadiyah came from members' contributions, support (*sokongan*) and accommodation fees. This can be seen in Table 4.2 below, which compares the percentage

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[76] Ibid.

[77] Even the guidance on the "Kepribadian (personality) of Muhammadiyah," which was published in 1952, encourages the principle that Muhammadiyah had the *da'wa* mission for religious conversion, a principle that contradicts the 1930s policy. See the collection of Muhammadiyah's charter, bylaws and department regulations in P.B [Pengoeroes Besar] Muhammadiyah Jogjakarta, *Muhammadiyah, Anggaran Dasar, Anggaran Rumah Tangga, Qa'idah-qa'idah, dan sebagainja* (Jogjakarta: P.B. Muhammadiyah, 1952); and *Landasan Hukum Persyarikatan Muhammadiyah dan Amalusahanya* (Yogyakarta: Persatuan, [1977]).

[78] See for example Pimpinan Pusat Muhammadiyah Majlis Pembina Kesejahteraan Ummat (PKU), *Keputusan Rapat Kerja Nasional VIII Majlis PKU Muhammadiyah* (Jakarta: Majlis PKU, 1990); and Pimpinan Pusat Muhammadiyah Majlis PKU, *Laporan Kegiatan PP. Muhammadiyah Majlis PKU Periode tahun 1985-1990* (Jakarta: Majlis PKU, 1990).

of income from three congresses, in Semarang 1933, Betawi (Jakarta) 1936, and Yogyakarta 1937.

Table 4.2 Income Percentage of Selected Congresses of Muhammadiyah

Types of Income	*Congress Years*		
	1933	*1936*	*1937*
Contributions (*sokongan*) from Muhammadiyah's groups and branches	40%	35%	33%
Cash donation	6%	23%	1%
Accommodation fees	33%	36%	35%
Company contributions, profits, and others **	21%	6%	30%
Total of percentage	100%	100%	100%

Source: *Soeara Moehammadijah*, March 1934, p. 191; *Soeara Moehammadijah*, June 1937, p.98; and *Soeara Moehammadijah*, April 1938, p. 48.
* The 1936 report contains a large amount of loan money. I have excluded the loans from this calculation.
** These items are a compilation of various different items.

In every congress, contributions from groups and branches of Muhammadiyah comprise more than 33 per cent. In-kind contributions reflected a high level of participation in each congress, ranging from flower bouquets and food to borrowed equipment. These were recorded thoroughly as an implementation of a transparency system and as an acknowledgement for the donors as well. Most reports also incorporate statements from verification committees that assessed the report.[79]

In addition to "regular" fundraising (such as for the congresses noted above), Muhammadiyah created other kinds of fundraising. One fundraising event that was launched at the national level was Muhammadiyah charity stamps (*perangko amal*)—namely special stamps sold for a few cents more than regular stamps for donations to Muhammadiyah's social, health and educational infrastructure.[80]

[79] "Penjelesaian Congres ke 22" *Soeara Moehammadijah*, March 1934, TH XV, 180-194; *Soeara Moehammadijah*, June 1937, pp. 83-104; and *Soeara Moehammadijah*, April 1938, pp. 21-48.

[80] *Soeara Moehammadijah*, no 7 XXIII, Rajab 1360 (August 1941), no 7. This was a special issue of the charity stamps. See also Soebagijo, I.N, *K.H. Mas Mansur, Pembaharu Islam di Indonesia* (Jakarta: Gunung Agung, 1972), pp. 42-3.

Figure 4.1 Charity Stamps of Muhammadiyah

Source: a personal collection I received on 27 August 2008 from a descendant of a pre-independence South Sulawesi Muhammadiyah figure who lives and works in Melbourne. He inherited a lot of materials related to Muhammadiyah documents as bequests from his father, who was politically 'forgotten' due to his political stance during the early post-independence period.

This fundraising was inspired by charity stamps launched by Christian and Catholic missions.[81] The stamps were put on sale in September-October 1941 and were valid until July 1942. The stamp fundraising was supported by the government and the traditional rulers of Yogyakarta and Surakarta.[82] This fundraising is a further confirmation of Muhammadiyah's policy of working in collaboration with the state.

Muhammadiyah in general and the PKU in particular employed and benefited from *zakat* resources. This policy differentiates Muhammadiyah from other conservative Islamic organisations. Below is a discussion of the discourse and practice of *zakat* and *fitrah* within Nahdlatul Ulama and Muhammadiyah.

Contesting Zakat *and* Fitrah*: Nahdlatul Ulama and Muhammadiyah*

On the issue of *zakat* and *fitrah*, Muslim Modernists and Traditionalists sometimes set out on the same footing, but most of the time moved in

[81] Asna, "Menghadapi Batoe Oedjian" [facing a test], *Soeara Moehammadijah* no 7, August 1941, p. 150.

[82] I cannot obtain information as to whether or not this fundraising was successful. I have original (new) stamps given by the courtesy of Mr. Bachtiar Abbas, a resident of Melbourne, who inherited them from his father, Mr. Abbas Dg. Mallawa (d. 1970), one of the Masyumi and Muhammadiyah leaders of South Sulawesi. Abbas informed me that his father told him that the stamps were not used during that period due to the war.

different directions. Indeed, the issue became an open conflict since the Modernist launched a reform of the traditional practices of *zakat* and *fitrah*. Later on, the Muslim Traditionalists ended up following the Modernists in the collection of *zakat* and *fitrah*, but this was a gradual process.

Following the criticism of the *fatwas* of *Muhimmat al-Nafais* (Section Two), the practice of *zakat* and *fitrah* was reformed in two aspects: payment or collection, and disbursement. The two issues are related to each other, and for Modernist Muslims they are one package. The first issue received much attention and became a point of criticism of the Modernists against the Traditional *'ulama*.

The *Kaoem Moeda*[83] newspaper, for example, published a contribution from someone called Kromo from Sukabumi, West Java, who was surprised to find out that his father was asked to pay *zakat* to the *modin* (village clerics or mosque functionaries). Kromo criticised the *modin* and said he would not pay any *zakat* to a *modin*.[84] Another example was of a public meeting of Sarekat Islam on 15 September 1918 at Purworejo, where H. Fachruddin, a leader of Sarekat Islam who was also a leader of Muhammadiyah, gave a speech. He criticised the *'ulama* who always asked people to give charity and *zakat*, which mostly benefited the *'ulama* themselves, not the poor and destitute.[85] When a member of the audience asked whether *fitrah* should be given to *modin*, Fachrudin stated that "anyone who on the first of the Sawwal month has more [food] is obliged to share his or her surplus with the poor and destitute, according to the *fitrah*'s measurement. It is unlawful (*haram*) for a rich person to accept *zakat* or *fitrah*."[86]

I assume that *'ulama* were in a difficult position because the patron-client relationship underlying *zakat* and *fitrah* supported their livelihood, and they profited from their rights as administrators (*amils*) of *zakat*. *Zakat* and *fitrah* had become part of a reciprocal culture of the people mostly in rural areas. However, the reform toward a better collection and distribution was also reasonable and strong.

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[83] This newspaper was established in Bandung, West Java, co-founded by Abdoel Moeis. It gives a voice to progressive Muslims similar to the voice of Sarekat Islam.

[84] Kromo [pseud], "Zakatheffing," *Kaoem-Moeda*, Juni 26, 1919 no 115, as mentioned in IPO no 26/1919.

[85] He also blamed bureaucrats and *'ulama* for the disunity in Muslim communities that divided them into three groups, namely *priyayi*, *abangan* and *santri*, which were hostile each towards the other.

[86] "Verslag Openbare-vergadering S.I. 'Poerworedjo-Klampok' di Poerworedjo pada tanggal 15 h.b. September 1918," *Neratja*, October 9, 1918 no 190.

Kyai Sanusi

An interesting response to the reform was given by a religious leader from Priangan, H. Ahmad Sanusi (1888-1950)[87] who criticised the government in a book that he wrote. The book (which was regarded as a *fatwa*), entitled *Qawanin al-Diniyyah wa al-Duniawiyyah fi Bayan umur al-Zakat wa al-Fitrah* (Religious and Secular Regulations in explaining the matters of *zakat* and *fitrah*),[88] opposes the collection of *zakat* and *fitrah* by religious officials under the regent. According to Sanusi's biographer Iskandar, Sanusi contended that *zakat* and *fitrah* were not the concern of the government and therefore should not be paid to the government, but to an *amil* who should be selected by the community.[89] Religious officials including *penghulu*, were against the *fatwa* of Sanusi.

Sanusi himself was regarded as one of the leaders of Sarekat Islam in Sukabumi, West Java. He joined Sarekat Islam in 1913 while he was studying in Mecca and became an advisor to the Sukabumi branch in 1915 when he returned there. Not long after, however, he left Sarekat Islam as he no longer agreed with its activities.[90] He was disappointed because Sarekat Islam Sukabumi did not work hard enough to help its members. He had previously suggested that Sarekat Islam Sukabumi should manage its regular member contributions as a loan given by its members. But the organisation did not accept the idea and kept sending the contributions to the central board of Sarekat Islam.[91]

When Sanusi later established the Association of Indonesian Ulama at Majalengka (Persyarikatan Ulama Indonesia di Majalengka- PUI), his thoughts on *zakat* and *fitrah* did not appear in the PUI Charter, but his thoughts on charity in general were clearly reflected in one of the PUI's aims—namely that the PUI aims "to improve the material needs of the members, especially the material support to the *'ulama*. In principle, that

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87 He established al Ittihadul Islamiyah (an association of '*ulama*) before independence and was involved in the committee for the preparation of Indonesian independence. He was also a prolific writer. See Martin van Bruinessen, "Ahmad Sanusi bin Abdurrahim of Sukabumi," *Encyclopaedia of Islam, Three*, edited by Gudrun Krämer, Denis Matringe, John Nawas and Everett Rowson, (Brill, 2008), <http://www.brillonline.nl.ezproxy.lib.unimelb.edu.au/subscriber/entry?entry=ei3_SIM-0195> (accessed 21 August 2008).

88 As quoted from Iskandar, "Kyai Haji Ajengan Ahmad Sanusi: Tokoh Kyai Tradisional Jawa Barat," in *Prisma*, vol 22 (2), 1993, p. 75.

89 Iskandar, "Ajengan Ahmad Sanusi."

90 Ibid.

91 Ibid.

support is [dedicated] to help other people, the poor and the destitute, by establishing schools and hospitals."[92]

Sanusi did not represent Nahdlatul Ulama, but *'ulama*. His view that *zakat* and *fitrah* should be managed by Muslim communities was shared by other Muslim organisations, including Nahdlatul Ulama and Muhammadiyah.

Nahdlatul Ulama

As Nahdlatul Ulama was established as a response to the Turkish abolition of the Islamic caliphate and Muslim reformist movements,[93] and often came into conflict with Muhammadiyah. Nahdlatul Ulama differentiated between the collection or payment and the disbursement or use of *zakat*. It most likely did not raise the issue of the payment of *zakat* and *fitrah*, which would harm the members of its own organisation, as most *kyai* and *modin* were recipients of *zakat*. It mainly responded to the second issue—namely the use of *zakat* money.

One of the legal decisions on the First Mu'tamar (congress) of Nahdlatul Ulama held on 21 October 1926 was the use of *zakat* payments for the establishment of mosques, *madrasah*, and boarding houses.

> Q: "Is it permitted to use *zakat* money for the establishment of mosques, *madrasah* and boarding houses because those are part of "*sabilillah*" [lit. "the way of God"] according to the quotation of Imam Al-Qoffal?
>
> A: No, it is not permitted because "*sabilillah*" means those who do the wars in "the way of God." Quotation of Imam Qoffal is [legally] weak. The [*Kitab*] *Rahmat Al-Ummah* mentions that [the *'ulama*] agreed on the prohibition of disbursing [it] for establishing mosques or [purchasing] white clothes for dead bodies. In the first volume of the *Tafsir Al-Munir*, which al-Qoffal advises and quotes, some Muslim jurists permit the disbursement of *zakat* [money] for all kinds of righteousness, including purchasing white clothes for dead bodies, establishing boarding houses, or [paying] operational mosques, because the phrase "*fi sabilillah*" is meant for general [use].[94]

The question of this *fatwa* is probably based on the reformist practice of using *zakat* money "for other kinds of righteousness," such as for operating

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[92] *Padoman Persjarikatan Oelama Madjalengka*, 1932, p. 19.

[93] Martin van Bruinessen, *NU: Tradisi, Relasi-relasi Kuasa, Pencarian Wacana Baru* (Yogyakarta: LKiS, 1994).

[94] Abu Hamdan 'Abd al-Jalil Hamid, ed., *Ahkam al-Fuqaha fi Muqarrarat Mu'tamarat Nahdlatul Ulama, Kumpulan Masalah2 Diniyah dalam Mu'tamar NU ke 15/d 15* (Semarang: Pengurus Besar Nahdlatul Ulama, n.d), p. 9.

schools. The basis of this disbursement refers to the category "*fi sabilillah*" (in the way of God).[95] Nahdlatul Ulama—like most traditional *'ulama*—prefers to follow a legal opinion which is supported by the majority of Shafi'i jurists and would not interpret anything directly from the Qur'an and *hadith*. In this case, there is a jurist who interprets "in the way of God" as meaning general kindness that could elevate Islam. Accordingly, the use of *zakat* money becomes flexible for fulfilling philanthropic activities. However, Nahdlatul Ulama tends not to fully agree with this general interpretation of "*fi sabilillah*." Although it acknowledged other '*ulama* who interpreted this phrase in a general meaning and therefore allowed the disbursement of *zakat* for a general use, in the case of *zakat* it interpreted the phrase as limited only to those who fight wars in the way of God. It seems that Nahdlatul Ulama preferred to be careful and took two positions at once (to agree at a certain level but to disagree on another level). In other words, it did not fully agree with the *zakat* practice of Muhammadiyah, which used *zakat* money for purposes such as maintaining schools and orphanages.

This principle can also be seen in the Charter (*Anggaran Dasar*) of Nahdlatul Ulama, which does not explicitly mention *zakat* as one of the resources, compared to that of the Muhammadiyah which will be described later.

> The financial sources of Nahdlatul Ulama came from:
> a. Admission fees
> b. Monthly contributions (*i'anah shahriyah*)
> c. Annual contributions (*i'anah sanawiyyah*)
> d. Donations from members and sympathisers of the Nahdlatul Ulama
> e. Other efforts that are *halal*.[96]

In defining its financial sources, the Nahdlatul Ulama referred to general forms of finance, without adopting many kinds of Islamic forms of charitable practices, such as *zakat* and *waqf*, or using any Islamic term, such as *sedekah*. Although in religious matters the Nahdlatul Ulama mostly referred to *fiqh* discourses, such as the *zakat* discussion above, it did not adopt these discourses in its Charter. Instead, it only used Arabic terms, namely "*i'anah shahriyah*" for monthly contribution and "*i'anah sanawi-*

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[95] There are eight categories: the poor, destitute, *zakat* managers, those whose heart are reconciled, to free those in bondage, those who are in debt, for *fi sabilillah* (in the way of God), and the *ibn sabil* (travelers). (Q.S. 9:60). See Chapter 1, p. 20.

[96] See Charter of 1934. There is no significant change in the contemporary Charters, such as those of 1984 and 1999.

yyah" for annual contribution. The approach is—in the words of Masdar Mas'udi, a scholar of Nahdlatul Ulama—holistic, without separating religious and secular matters.[97]

This "holistic paradigm," however, does not employ the "spirit of capitalism," as employed by Muhammadiyah, that can expand the practice of charity. This paradigm unfortunately cannot easily be reconciled with the first phrase of the Nahdlatul Ulama credo of "preserving the good and relevant traditions and taking the better things from new traditions" (*al-muhafazat 'ala al-qadim al-salih, wa al-ahdzu bi al-jadid al-aslah*). The social and cultural contexts of Traditionalist Muslims are still relevant to following old and proven traditions, including charitable practices. Therefore, before Indonesian independence or even to the present day, it seems that innovation in charitable practices could hardly have been expected to come from Nahdlatul Ulama.

However, the last source—namely "other efforts that are *halal*"—is a kind of anticipation for accommodating any other sources which may be received. The phrase was commonly used by organisations, including by Muhammadiyah. In the light of the above legal decision, this last source may allow Nahdlatul Ulama's second position, which may allow the use of *zakat* in a general interpretation. In this respect, the position of Nahdlatul Ulama that later tends to support the general use of *zakat* makes sense.

Nahdlatul Ulama let its youth wing, Ansor, have a committee for the collection and distribution of *zakat* and *fitrah*. This means that it accepted Muhammadiyah's reform in having a *zakat* committee, but it did not follow the reform to use *zakat* money for its organisation. In 1941 *Soeara Ansor* reported a collection of rice, cash, and clothing that was undertaken by 41 branches of Ansor.[98] The report also mentions the number of people who received those three kinds of donations and how much each person received. As indicated in the report, there were probably three different programmes executed by Ansor—namely *zakat*, *fitrah* and clothing donations. The cash collected was probably *zakat* contribution and rice was *fitrah* contribution. In today's collection of *fitrah*, giving cash instead of rice is something that is unavoidable since most people purchase rice for daily needs. According to some Nahdlatul Ulama scholars, this is actually re-

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[97] Masdar F. Mas'udi, "Zakat itu Ajaran Ruh yang Harus Dilembagakan," interview in *INFOZ* VII (Ramadan 1426/October 2005): pp. 9-11.

[98] H.B.N.O bagian Ansor, "Verslag comite zakat fitrah dan kleedingsfonds," *Soeara Ansor*, December 14, 1941, p. 122. The report was signed by H.M. Thohir Bakri and A.C. Djailani. See the report in Appendix 3, section 1.

garded as *force majeure* and is not acceptable according to the Shafi'i *fiqh*, which maintains that the *fitrah* should be paid in the form of staple food, such as rice and corn.[99]

What motivated Nahdlatul Ulama to create the committee of *zakat* and *fitrah* may be due to its involvement in the Indonesian High Islamic Council (Majlis Islam A'la Indonesia or MIAI).[100] In 1940 *Soeara Ansor* published the results of the MIAI meeting and the Third Indonesian Muslim Congress in Solo, on 7-8 July 1941.[101] One of its decisions was on *zakat* and *fitrah* which should become the policy of Nahdlatul Ulama as well.

> [Chapter] XII. On *zakat fitrah*: [We are] in agreement with and support the efforts of the [MIAI] Central Board, namely to eradicate the payment of *zakat fitrah* which is against Islamic teachings, and ask all Islamic organisations to follow this policy.[102]

The Nahdlatul Ulama and Muhammadiyah may have had differences of understanding of the specific aspects of *zakat* and *fitrah* payment that are referred to as being "against Islamic teachings." However, the MIAI decision generally refers to the payment of *zakat* and *fitrah* to benefit religious officials and local *'ulama*, rather than the poor. The chapter cited above reflects the ideas of Modernist Muslims who dominated the MIAI; ideas that can also be found, for example, in three MIAI projects—namely the establishment of a national mosque, an Islamic university, and a *zakat* agency (called Baitul Mal) to manage *zakat* and *fitrah.*[103] The Nahdlatul Ulama seemed to accept only the collecting body for *zakat* and *fitrah*, which was easily endorsed by the second phrase of the credo of Nahdlatul Ulama, "taking the better things from new traditions."

Muhammadiyah

Compared to Nahdlatul Ulama, Muhammadiyah *zakat* collection had already begun at least in 1918 by the Tabligh section—a time earlier than is

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[99] Kyai Zainuddin Ma'shum Ali, one of the leaders of Nahdlatul Ulama in Jakarta who is also the chairman of Pesantren Al-Hamidiyah in Jakarta. Interview by the author, 29 August 2005.

[100] On MIAI see Deliar Noer, *The Modernist Muslim Movement*, pp. 242-6.

[101] Ibid., p. 246.

[102] "Rapat MIAI pleno dan Kongres Moeslimin Indonesia ke III," *Soeara Ansor*, no 3, 1360 (1940).

[103] Harry J. Benda, *The Crescent and the Rising Sun Indonesian Islam under the Japanese Occupation* (USA: Foris publication, 1983), p. 144. on Baitul mal of MIAI.

mentioned by Nakamura.[104] *Oetoesan Islam* published a simple report on the *fitrah*:

> Today the Tabligh [section] has carried out the collection and distribution of *fitrah*. The rice collected was 1,101 *kati*, which was directly distributed to the poor and destitute. There were 432 people who asked. This effort is very pleasing for the very poor.[105]

The report is presented together with other reports of the Tabligh section in Yogyakarta, such as a report about voluntary teachers who had not received payment, and one about the opening of a free school for girls.[106]

The collection of z*akat* and *fitrah* probably became an annual programme of Muhammadiyah that gradually became widespread along with the Muhammadiyah organisation. In 1940 Muhammadiyah had a national movement for the "collection and distribution of *zakat fitrah*," reported by *Soeara Moehammadiyah*.[107] The report mentions the amount collected, the number of the poor and destitute, and the amount that each of them received according to branches and groups of Muhammadiyah all over the country. Of the total 1,063 branches and groups of Muhammadiyah, only 389 reported their activities.[108] The report calculated that the total amount of rice collected was 2,978.08 *pikul*, which was distributed to 104,230 poor and destitute people. There were certain areas which also had a collection of different kinds of staple food: corn in Sengkang (South Sulawesi) and sago in Marissa (North Sulawesi).[109]

The report also mentions the amount of money collected. The majority of districts reported the collection of rice; some reported both cash and rice, and some collected only cash. The Muhammadiyah branch in Kotaraja in Aceh collected only cash (*f* 138.62), and it was distributed to 152 poor and destitute people. There were two more districts that collected only cash—namely Lokseumawe (Aceh) and Karangdapo (Bengkulu). The report shows the use of *zakat* and *fitrah* money for general purposes, includ-

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[104] Nakamura, *The Crescent*, p. 91.

[105] "Zakat Fitrah," *Oetoesan Islam*, September 23, 1918.

[106] "Verslag yang kedoea Taoen 1918 dari Tableg, De Vereeniging Comite Mochamadijah Djokjakarta," *Oetoesan Islam*, 23 September 1918, shortly "Verslag Tabligh."

[107] "Hasil Gerakan menerima dan Membagi Zakat fitrah," *Soeara Moehammadiyah*, February 1941, pp. 6-16. See the report in Appendix 3, section 2.

[108] 389 branch groups are classified in 25 regions: Aceh, Bengkulu, Besuki, East Kalimantan, South Kalimantan, Madura, Banyumas, South Sulawesi, North Sulawesi, West Java, Kediri, Lampung-Palembang, Madiun, Pekalongan, Minangkabau, East Coast of Sumatra, Pasuruan, Riau Indragiri, Yogyakarta and surrounding, Semarang, Surabaya, West Kalimantan, Surakarta, Tapanuli, and others (outer area). Ibid.

[109] Ibid. See the column explanation (*keterangan*).

ing for organisation and distribution to non-Muhammadiyah members.[110] In listing *zakat* as one of the financial resources of its organisation, Muhammadiyah apparently believed that *zakat* funds could be used for the benefit of the organisation.

The use of *zakat* for general purposes of generosity has been practised from at least 1918. Muhammadiyah also made *zakat* into one of their financial resources. For example, the 1918 financial report of the Tabligh section of Muhammadiyah mentions the following income.

Income position of the Tabligh[section] funds:

Balance from the month September 1917	:*f.* 145.95
Cash from assistant members from October to August 1918	:*f.* 275.64
Donations and *zakat*	:*f.* 60.95
Donation for the *langgar* (small mosque) of Panembahan	:*f.* 79.50
Donations for a free school	:*f.* 117.40
Cash for the poor	:*f.* 12.50[111]

This is not surprising because the Charter of Muhammadiyah explicitly mentioned *zakat* as one of its resources. Here I quote two chapters on financial resources, the first from the Charter of Muhammadiyah and the second from the Charter of the PKU.

Chapter VII
Article no 24: Finance
Financial resources of the organisation:
a. Admission fees, contributions, and support;
b. *Zakat*, donations, and *wasiyat*;
c. Profits and *waqf* of the organisation;
d. Other resources that are *halal*. [112]

Below are the financial resources that are mentioned in the Regulation of the PKU Muhammadiyah in the period of 1923-1934.

Chapter X
Expenditure of the PKU consists of funds from:
a. Donations and contributions
b. Unpredicted gifts
c. Bequests, grants, and other large gifts

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[110] Ibid.

[111] "Verslag Tabligh."

[112] The substance of this Muhammadiyah chapter has no significant change with today's Anggaran Dasar of Muhammadiyah (2005). The new Anggaran Dasar only separates the third item (c) to be "hak-hak milik Muhammadiyah" (properties that belong to Muhammadiyah), and "usaha-usaha perekonomian Muhammadiyah" (profits from business belong to Muhammadiyah), and puts *waqf* together with the second item (b).

d. *Zakat* of property and animals
e. Profit from PKU business
f. Money boxes which are provided in required places.
g. Companies.[113]

The use of *zakat* for supporting the organisation was not only in the charters of Muhammadiyah, and I refer to the Central Board of Muhammadiyah financial reports of 1936 and 1940, which speak for themselves. (See the reports in Appendix 2).

Compared to other income items such as membership "contributions," "support," and donations, the income from *zakat* is relatively insignificant in both reports. However, both reports show that the income from *zakat* was received by seven Muhammadiyah sections, namely the HB (Hoofd Bestuur – Central Board), PKU, Pengajaran (Teaching), Tabligh, Aisyiyah, Pemuda (youth), and Taman Pustaka (publication). Both reports also mention that both PKU and Teaching sections received financial support from the government and the Sultanate of Yogyakarta, most probably for orphanages, poor houses, medical clinics, and schools. Unfortunately this report does not explain how the *zakat* money was used. The expenditure sections only itemise general items such as salaries (for staff, doctors and teachers), general meetings, administration, and maintenance. *Zakat* distribution is mentioned as a separate item in both reports (see item number 28 in the 1936 report and item number 38 in the 1940 report). Only the item in the 1940 report mentions that Aisyiyah distributed *f.* 71.75 of *zakat* money, whereas its *zakat* income was *f* 210.85.

Looking at these reports on the use of *zakat* funds, scholars would be curious to know what the Muhammadiyah understanding was with regard to *zakat* and *fitrah*. It seems there was not any significant difference from the common understanding of *zakat* and *fitrah* in the *fiqh* books. I take the example of an article entitled "Z*akat Fitrah*" that appeared in *Pantjaran Amal*, the bulletin of Muhammadiyah in Betawi (Jakarta) in 1937.[114] Al-Bahry, the author, explains the legal aspects of *fitrah*, its beneficiaries, conditions for those who wish to pay, conditions for those who can receive, and benefit and secrecy aspects. Unfortunately there is no further interpretation of the eight beneficiaries. Al-Bahry only provides a meaning for "*fi sabillilah*" as "those one who do *jihad* in the way of God."[115]

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[113] Reglement PKU, pp. 9-10.

[114] Al-Bahry, "Zakat Fithrah," *Pantjaran Amal* (Madjalah Moehammadijah Tjabang Betawi), No 6-24, 1937, pp. 483-6.

[115] "Orang jang berdjihad di djalan Allah."

Rather than discussing detailed legal aspects and interpretations, Al-Bahry provides practical guidance for action. He ends his article by writing:

> It is clear that *zakat, zakat fitrah* and *sedekah* are not only for the sake of oneself, namely to avoid all spiritual ailments, but also for security and for public order. With *zakat*, someone can help his or her brothers who are in distress and poverty. No matter how small the gift, the benefit is significant for those who really need the gift.
>
> Therefore, give priority to paying *zakat, fitrah* or *sedekah* in order to liberate yourself and your brother Muslim communities who are in humiliating poverty, so they can welcome *'Ied al-Fitr* together.[116]

Al-Bahry provides an example of how Muhammadiyah activists placed more emphasis on the application of religion than on details of *fiqh* matters. Indeed, unlike the Nahdlatul Ulama leaders, some Muhammadiyah leaders and activists were graduates of western educational institutions. Even though they had specialised in Islamic studies, they were more concerned with applications of religion than with theoretical argument. Therefore, the slogan "going back to the Qur'an and *hadith*" was also relevant to the background of Muhammadiyah activists, who usually did not refer to many *kitab kuning* (classical religious books).

Conclusion

The charitable works of Muhammadiyah were a product of early Islamic reformist movements that motivated the development of Islamic philanthropy in Indonesia. The Muhammadiyah movement has played a significant role in transforming Islamic philanthropy from traditional practices to modern ones and demonstrates that philanthropic reform aimed to Islamise society but not the state. This was because the state was under a non-Muslim ruler. In this respect, the Modernist movement progressed towards independence from the state. Traditionalist Muslim leaders were generally opposed to the movement for two reasons: first, they believed that the Modernist philanthropic movement denied—if not opposed—the authority of the four schools of Islamic law (*madhhab*) which was the strong basis of the Traditionalist Muslims; second, the Modernists were collaborating with the non-Muslim ruling power. Their opposition was not strong enough to stop the Modernist movement because the Modernists gained support from secular society as well as from the government.

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[116] Al-Bahry, "Zakat Fitrah," p. 486.

The development of Muhammadiyah and other voluntary organisations that grew from the early twentieth century marked the growing power of Muslim civil society. These organisations grew from the community, working for the betterment of society; they were independent and even became critical to the government. The Dutch government's policy of not interfering in religion or religious charities facilitated this Muslim civil society.

In this case, Muslim civil society grew under a strong state that implemented a system of religious neutrality, from which charitable activities could empower the development of voluntary organisations, and the growth of philanthropic activities was an indication of this growing civil society. However, this was impeded by a difficult political situation, both prior to and after independence. After independence this promising development did not continue, owing to fear over politics and political oppression, and also the involvement of the state in the management of Islamic philanthropy. This development will be elaborated in the next chapter.

PART THREE

ISLAMIC PHILANTHROPY IN THE INDEPENDENT INDONESIAN STATE

Does civil society develop more strongly under a modern nation state? If we follow a definition of civil society that requires the presence of clubs, guilds or organisations, then modern history provides more opportunities for civil societies because of the growing presence of such organisations.

Indeed the presence of organisations has strengthened after Indonesian independence, and this includes philanthropic organisations. Various forms of philanthropy have risen: voluntarism, neighbourhood *zakat* committees, mosque *zakat* organisations, *waqf* foundations (both in traditional and modern-progressive forms), non-religious charitable organisations, charity foundations, (modern) Islamic philanthropy organisations and activities that fall under the heading of corporate social responsibility. Charitable and philanthropic organisations derive more benefit in terms of sustainability because they have resources, and alongside other types of civil organisations, charitable/philanthropic organisations have developed well in the independent Indonesia, especially after the time of *Reformasi*.

However, clubs and organisations are not the only factor in determining the strength of civil society. Besides culture, the state (and its government) also becomes a factor in creating the strength or weakness of civil society. This factor shows that the state is also an active actor in the competition related to Islamic philanthropy and in determining the strength or weakness of civil society.

The form of the Indonesian state, which is neither secular nor an Islamic state, but rather a "Pancasila" state, has opened a chance for Muslims to include Islamic values and interests as the interest of the government or state, and the government's interest in managing *zakat* has been increased since 1960s to contemporary times, from one of establishing a state-based *zakat* agency as a division under the provincial government (Chapter 5), to passing the Zakat Management Law, and centralising all *zakat* payment to the national *zakat* agency called Baznas (Chapter 6).

The strengthened and modernised Islamic society has a contested relationship with the political power in maintaining that *zakat* and charitable activities be managed by community-based philanthropy organisations. The state's efforts in managing Islamic philanthropy resources under its power have been actively supported by the Ministry of Religion and political parties. Civil society organisations and activists of *zakat* have been divided in their loyalties, either supporting the government—some with their own terms and interests—or opposing the efforts of the state at in-

terfering in, and managing, *zakat* and Islamic philanthropy matters (Chapter 6). The contestation between the state and civil society has heated up and is likely to continue.

The contestation and support for the state's interference is likely to derive from the fact that the people of Indonesia and the Indonesian government are made up of a majority of Muslims—a fact which has resulted in a psychology that blurs the boundary between Islam as personal matter, and Islam in the public sphere. From the 1990s there has been an increase in Islamisation[1] that has made a split between support for Indonesia as a secular country and for religious piety facilitated by the state.[2] Therefore, the efforts toward modernising *zakat* in particular were not only directed at gaining greater autonomy and increasing the power of civil society, but also inclined towards using state organs in order to empower *zakat* implementation.

Under this unique form of the state, state-civil society relations changed depending on the political and religious tendencies of the government, or the personality of the head of the government. There is a tendency that strong government has led towards weak civil society and philanthropy; and, by contrast, weak government leads toward a strong civil society and level of philanthropy.

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[1] Akmal Nasery Basral, R. Fadjri and Heru C. Nugroho, "M.C. Ricklefs: There is deep Islamization," an interview in *Tempo*, no 43/VII, 25 Juni-02 Juli 2007, h. 22-25. It is also published at Asia Views, online, URL http://www.asiaviews.org/index.php?option=com_content&view=article&id=10810:featuresalias1144&catid=5:features&Itemid=27, visited on 09 September 2012.

[2] For example, a survey found that 87 per cent of Muslims agreed with the concept of democracy, 96 per cent agreed with Pancasila and the 1945 Constitution, 62 per cent of Muslims supported religious values being taken as state official law/regulation and 65 per cent of Muslims agreed that the state should be involved in handling certain faiths. Amelia Fauzia, et al., *Islam di Ruang Publik: Politik Identitas dan Masa Depan Demokrasi di Indonesia*, edited by Noorhaidi Hasan and Irfan Abubakar, Jakarta: Center for the Study of Religion and Culture, 2011, pp. 114-5.

CHAPTER FIVE

STATE-BASED AND COMMUNITY-BASED PHILANTHROPIC ORGANISATIONS AFTER INDEPENDENCE

This chapter focuses on philanthropic practices from the end of Dutch colonialism (1942) to the end of the New Order period (1998). However, it will also go well beyond 1998 in providing case studies of Islamic philanthropic organisations.[1] It elaborates on the widening involvement of the state and other civil society organisations in managing modern philanthropy, especially in the formation of *zakat* organisations. The state's interest in Islamic philanthropy began when the Dutch government was replaced by a native government dominated by Muslims. The chapter argues that state involvement in Islamic charity, which was brought about by Muslim leaders who demanded it, was opposed by Muslims and their organisations, who rejected state-based philanthropic agencies and formed philanthropic organisations that were community-based. This period was the beginning of the competition between civil society and the state in an endeavour to control philanthropic practices, especially during the New Order. In general, there was an upward trend in Islamic philanthropic activities in post-independence Indonesia. This trend relates to two main developments, namely Indonesian political conditions and a growing awareness of Muslim identity.

The chapter is organised in four main sections. Section 1 provides a general survey of Islamic philanthropic activities during the Japanese occupation and the war for independence. The Japanese occupation is a significant starting point because this is the time when the state officially supported, or made use of, Islamic movements, including Islamic charities. This section will observe the two main ideologies that were in competition immediately after independence, namely nationalism and Islam. The growing interest of the Old and New Order regimes in an involvement in philanthropy will be discussed in Section 2. The section will show the civil society demand for and resistance to state involvement in *zakat*. The demand is

[1] The reason is because the two organisations under study (Bazis DKI and Bapelurzam) remain in operation today.

based on the idea of modernising Islamic philanthropy, while the opposition is based on a distrust of the state.

Sections 3 and 4 provide two case studies of Islamic philanthropic organisations. The first is a state-based philanthropic agency of the province of Jakarta (Badan Amil Zakat Infak dan Sedekah Daerah Khusus Ibukota, abbreviated as Bazis DKI).[2] This is a leading state-based *zakat* agency in terms of its programmes and the collection of funds, and it is the oldest state-based *zakat* agency still surviving. The second is the board for the implementation of *Zakat* of Muhammadiyah in Kendal regency (Badan Pelaksana Urusan Zakat Muhammadiyah Kendal, abbreviated as Bapelurzam). This is a community-based *zakat* organisation belonging to the Muhammadiyah district board of Kendal, Central Java. It is the most successful *zakat* organisation within Muhammadiyah and was one of the most successful community *zakat* organisations established during the New Order.

Islamic Philanthropy During the War for Independence

This section is a survey of Islamic philanthropic activities from 1942 to 1949—a period of political turbulence covering the emergence of the Indonesian nation-state. This section will show that the growth of philanthropic initiatives, namely giving and volunteering, and philanthropic organisations (state-based or otherwise) depended on the Indonesian political situation. I have highlighted the relationship between the effort to develop Islamic philanthropy and the effort to implement an Islamic state. This tendency can be seen in the example of Masyumi (Majlis Syuro Muslimin Indonesia, the Consultative Council of Indonesian Muslims), which regarded z*akat* as an important part of the implementation of the Islamic state.

Baitul Mal and the Corps of Volunteers

Indications of state-sponsored Islamic philanthropic efforts started during the Japanese occupation, as the Japanese administration was the first to accommodate political Islam. In April 1943, the Supreme Islamic Council of Indonesia (Majelis Islam A'la Indonesia or MIAI)—an organisation that was established in 1937 under Dutch rule and permitted to continue operating under the Japanese—launched a project called Baitul Mal (financial

[2] DKI stands for *Daerah Khusus Ibu Kota,* or Capital City Special Region.

institution or state treasury).[3] This Baitul Mal is distinct from the Baitul Mal of the period of Dutch colonialism discussed in Chapter 3. During the Dutch period, mosque funds in some areas were called Baitul Mal.

The Baitul Mal discussed in this present chapter was simply a *zakat*-collecting body that redistributed *zakat* to the poor. Its works later extended to other social welfare activities, mainly the establishment and maintenance of poor-houses and orphanages.[4] This organisation was inspired by the success of the Baitul Mal of Bandung that was established by R.R.A. Wiranata Kusuma, Regent of Bandung. The Baitul Mal Bandung was handed over to the MIAI in 11 April 1943[5] to be extended as the main programme of MIAI. In October 1943 Baitul Mal branches were successfully established in 35 regencies in Java.[6] This is an impressive number for such a short-lived project. The Baitul Mal project came to an end when the MIAI was dissolved by the Japanese authorities. According to H.J. Benda, this occurred because the MIAI and its projects were considered to be idealising Islam more than supporting the Dai Nippon ideology, and this was seen as a threat by the Japanese. However, many branches of Baitul Mal remained in operation, including the Baitul Mal Bandung. This kind of charitable initiative was revived in 1947, after Indonesian independence.

The Baitul Mal organisation's name and activities of this kind were a combination of *zakat* management and mosque fund efforts during Dutch rule. Whereas during the Dutch administration the involvement of native officials in Islamic charities carefully differentiated between personal interests and government ones, the MIAI's Baitul Mal was different. The establishment of the Baitul Mal of Bandung and Baitul Mal branches across Java was mainly organised or at least supported by many native regents.

The Japanese occupation created mass organisations for defence and these organisations were supported by Muslim leaders. The first was the Volunteers' Corps for the Defence of Java (Pasukan sukarela untuk membela tanah Jawa or PETA, popularly called Pembela Tanah Air or Defenders

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[3] Under Dutch rule, the MIAI had already included *zakat* in its programme, see Chapter 4. In 1943, under the Japanese, it set up the three short-term main programmes, namely the establishment of national mosques, the establishment of Islamic universities, and the creation of the Baitul Mal institution. See Hary J. Benda, *the Crescent and the Rising Sun, Indonesian Islam under the Japanese Occupation 1942-1945* (The Hague: W. van Hoeve, 1958), p. 320.

[4] "Peratoeran Baital-Mal MIAI", in *Soeara MIAI*, 1 July, 1943. This edition of *Soeara MIAI* was devoted to Baitul Mal.

[5] "Baitoel-Mal Bandoeng-Ken Diserahkan kepada MIAI", *Asia Raya*, 11 April 1943, p. 2.

[6] "Berita Dewan MIAI", *Soeara MIAI*, 1 October, 1943, p. 25.

of the Motherland). PETA contained a great number of *kyai* (religious leaders) and its senior officer was Kasman Singodimejo, a Muhammadiyah leader.[7] The PETA flag in fact displayed the Islamic crescent on a Japanese Rising Sun, a symbol that "aptly expressed the desired identification of Japan's war with a Holy War for the defence of Indonesian Islam against the Christian, imperialist West."[8]

Communal participation in the war also became strong during this period, stimulated by the Japanese administration and its creation of more and more mass organisations. These included the Association for People's Service (Indonesian: Himpunan Kebaktian Rakyat; Japanese: Jawa Hokokai), Neighbourhood Associations (Rukun Tetangga or RT),[9] Barisan Pelopor (Pioneer Corps), and Hizbullah (God's Army). Barisan Pelopor was associated with nationalist groups while Hizbullah, which largely controlled the Rukun Tetangga,[10] was closely associated with Masyumi. Hizbullah had volunteers in all regencies in Java, and after the Japanese left Indonesia, it became an important corps of fighters for Indonesian independence.

From Fundraising to Foundation

During the war and political turbulence between 1945 and 1950, the newborn government opened the doors to any kind of support for defending independence. There were many accounts of volunteering, serving and giving during the war, such as the provision of shelters and food, service to those who were injured, and participation in the war as voluntary combatants.[11] More organised philanthropic efforts were set up during the war period after Indonesian independence, from 17 August 1945 to 1949. These initiatives were brought about mainly by Muslims who wanted to defend the new country or had nationalist visions. The following paragraphs will introduce three of them.

An important first effort was the well-known donations for the purchase of the first Indonesian aircraft by the Acehnese. In 1948, Soekarno went to Aceh and many other cities in Sumatra that were politically free of Dutch

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[7] Ibid., pp. 138-41.

[8] Ibid., p. 141.

[9] It was mainly concerned with the support of food and clothes. Ibid., pp. 154-5, 265.

[10] Ibid., p. 179.

[11] On the war, see Anthony Reid, *The Indonesian National Revolution 1945-1950* (Melbourne: Longman Pty Ltd, 1973); M.C. Ricklefs, *A History of Modern Indonesia Since c. 1200,* fourth ed. (Palgrave MacMillan, 2008).

control for fundraising to buy aircraft. These were needed to show the world that the new-born nation had survived in spite of military aggression by the Dutch. Various sources claim that the fundraising in Aceh, where the committee obtained about 20 kg of gold, was successful. According to Acehnese local history, the money was spent buying two DC-3 (Dakota) aircraft, whereas according to the history of the Indonesian air force only one aircraft was obtained, called Seulawah (mountain of gold).[12]

Another important initiative was the establishment of the Indonesian Red Cross (Palang Merah Indonesia – PMI). If we recall the presence of the Red Crescent Society from 1918 (known at that time by its Arabic name Al-Hilal al-Ahmar),[13] the establishment of the Indonesian Red Cross shows an awareness of a national political identity brought by Muslims with a secular ideology. Soekarno, Indonesia's first President, launched and inaugurated the Indonesian Red Cross only a month after independence, on 17 September 1945. Attempts to have an Indonesian Red Cross organisation distinct from the Dutch one[14] had already been made in vain in 1938 and 1940 by Dr. R.C.L. Senduk and Dr. Bahder Djohan,[15] and another unsuccessful attempt had been made during the Japanese occupation. However, it took independence to achieve this aspiration. During the war of independence, the Indonesian Red Cross was already functioning albeit with very limited facilities, mostly providing public kitchens, first aid and medical treatment,[16] its volunteers being mostly high school students.

The third initiative I wish to highlight here is the establishment of the Waqf Republik Foundation, which is a modern Islamic endowment. It was established on 17 August 1948,[17] on the third anniversary of independence. Although the names of the original founders are not known, Muhammad

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[12] Dinas Sejarah TNI Angkatan Udara, *Sejarah Perjuangan Indonesian Airways dengan RI-001 "Seulawah"* (Jakarta: Dinas Sejarah TNI Angkatan Udara, 1979).

[13] See p. 82 above.

[14] H. Umar Mu'in, *Gerakan Palang Merah dan Bulan Sabit Merah Internasional & Perhimpunan Palang Merah Indonesia* (Jakarta: Gramedia Pustaka Utama, 1999). See Netherlands Indies Red Cross (NIRK) in Chapter 4, p. 4. The assets of NIRK which (became NERKAI in 1945) were given to the Indonesian Red Cross in January 1950.

[15] H. Amura, ed. et al., *Bahder Djohan Pengabdi Kemanusiaan* (Jakarta: Gunung Agung, 1980), 86.

[16] Mu'in, *Gerakan Palang Merah*, pp. 128, 134-7; for activities during the war see Bahder Djohan, pp. 87-98.

[17] Adam Malik, *Riwajat dan Perdjuangan sekitar Proklamasi Kemerdekaan Indonesia Augustus 17 1945* (n.p: [Stichting Wakaf Republik], 1948), p. 83. The book was probably published by the Republik Foundation. It provides excerpts from the Charter (*Anggaran Dasar*) of the foundation in order to promote it. Adam Malik sets out to expose the real history of the proclamation, downplaying the assumed prominent roles of Soekarno and

Hatta, Tan Malaka and Muhammad Yamin were among those who supported this foundation. The three were national leaders during the revolution period and after independence. Hatta was known as a pious Muslim, whereas Malaka and Yamin were known as leftist leaders. Although the foundation was established during the war, it did not aim to fight against the Dutch. It was more of a "humanistic nationalistic" organisation aiming to practise charity without discrimination with regard to nationality[18]—a notion that was hard to sell at a time of strong hostility towards the Dutch and its allies.

The fact it used the name *waqf* is interesting. Unlike the mainstream *waqf* institutions in that period, this *waqf* foundation aimed to make a profit from its publications that would be donated to establish public libraries and scholarships without discrimination based on nationality.[19] These aims went beyond the usual *waqf* domain which focuses on mosques, lands and Islamic schools. In addition, the foundation was based on a correct and advanced understanding of the "profitable *waqf*" notion, more generally known in Indonesia as "productive *waqf*" (*wakaf produktif*). This implies a profitable business of *waqf* properties to be used as charity for supporting Islamic institutions and maintaining the *waqf* itself.[20] The foundation held the copyright for publishing the works of Muhammad Hatta, Tan Malaka, and Mohammad Yamin for profit.[21] Although there is no indication that this foundation survived, this was an exceptional example of *waqf* in Indonesia which unfortunately did not develop to other places and become a movement.

A Jihad *of Wealth*

There was a philanthropic effort that has a strong Islamist character that I wish to discuss here, namely, the Sabilillah Fund. The fund was established by Masyumi, a successor organisation to the MIAI, with the hidden aim of implementing an Islamic state by declaring a *jihad* of wealth.

The Sabilillah Fund was a financial institution that collected money (especially *zakat*) to support the wars (*jihad*) on the path of God (*sabilil-*

Hatta in the proclamation of Indonesian independence. Adam Malik was one of younger-generation that had radical thought at this stage.

[18] Ibid.

[19] Ibid.

[20] This is a *waqf* concept which only began to take off in Indonesia around the beginning of the twenty-first century, together with philanthropic organisations.

[21] Ibid.

lah). The collected resources were probably distributed to the Sabilillah voluntary corps, which was also supported by Masyumi. The Sabilillah Fund was created to collect *zakat* in order to "continue the struggle of Muslim congregations in upholding the religion, the archipelago and the nation,"[22] an idea clearly motivated by Islam as well as nationalism.

The idea of this fund may have been to continue the MIAI's Baitul Mal, some of which were still active. The Sabilillah Fund was probably established only in Java and Madura. Masyumi's information division supported the publication of a campaign book for fundraising for the Sabilillah Fund, entitled *Risalah Zakat*.[23] The book tried to convince Muslims to pay *zakat*, which was very important for the activities of the *jihad fi sabilillah* at that time, in order to get the "country's sovereignty which guarantees our religious freedom, [where it] was trampled on by the capitalist-imperialist Dutch and their allies."[24] The book's main purpose was to mobilise a "wealth *jihad*" by quoting Qur'anic verses and *hadith*. It refers to verse 49:15 of the Qur'an which states that "believers are only those who believe in God and His Messenger then they doubt not and struggle hard with their wealth and their lives in the way of Allah; they are the truthful ones." The *zakat* campaign book explains in unequivocal terms that:

> [W]e have to mobilise not only our soul and body for the sake of *jihad*, but we are obliged to donate our wealth. We sacrifice them for the sake of *jihad* according to God's appeal [Qur'an 49:15]... Therefore, all Muslims in Indonesia, besides sacrificing our body and soul in *jihad* to expel our enemies who violated rightness, justice, and humanity, let us donate and sacrifice our wealth with all our efforts. This will make our *jihad* perfect and successfully bring righteousness and destroy evil. That is the real freedom for our motherland.[25]

In addition to the use of *zakat* for *jihad*, Masyumi, through the Sabilillah Fund, seems to have regarded *zakat* institutions as a financial resource for the state. It stated that, in an Islamic state, *zakat* should be collected by the government and deposited into the Baitul Mal. "When Indonesia has become a 'Darul Islam' [the Abode of Islam], *zakat* matters will certainly be managed [by the state] as well as possible, and, if needed, by coercion on

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[22] Fonds Sabilillah, *Risalah zakat* (Malang: Fonds Sabilillah Poesat Djawa dan Madoera, 1947).

[23] Ibid., p. 2.

[24] Ibid., p. 19.

[25] Ibid., p. 22.

those Muslims who deny the obligation, as was done in the period of the Rightly-Guided caliphs."[26]

The unstable new government supported the nationalist, non-religious orientation of philanthropy as in the Red Cross and Acehnese donations, but pragmatically accepted or continued to allow those with strong Islamic ideology to mobilise combatants and material resources for the so called revolutionary wars. Nationalist and Islamic aspirations strongly coloured philanthropic activities during the war, with and without the support of the state.[27]

Islamic Philanthropy in the Old Order and New Order Periods

Under political conditions that were hardly ever stable, the Old Order regime (1950-1965), led by Soekarno, tended to support Modernist Muslim philanthropic activities. The Islamist group which advocated that *zakat* should be managed by the state had no place in the Old Order regime. The mainstream discourse of Islamic philanthropy during the Old Order was in agreement with the "religiously neutral" country,[28] a state that was not religious but not secular either. The state tended to be based on religious principles. Therefore the state was based upon the five principles of 'Pancasila,' of which the first principle is belief in one God. To aid in its work the government also has a Ministry of Religious Affairs, which was set up in 1949.

The Old Order government was not interested in dealing with Islamic matters, especially in its early years. Presumably it followed the idea of the Dutch administration which viewed religion as a private matter. The Ministry of Religious Affairs began to deal with *waqf* and *zakat* in 1952 as minor programmes and started to report *zakat* in 1954. It recorded the collection

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[26] *Risalah zakat*, p. 17.

[27] The 1950s saw an educational revolution where the effort to build schools—the demand for which could not be met by the government—pushed philanthropic efforts to establishing community and private schools. Parents voluntarily donated money for school equipment and other facilities. See Selosoemardjan, *Social Change in Jogjakarta* (Ithaca: Cornell University Press, 1962), pp. 358-65. I assume this may have been the beginning of the tradition of "voluntary" payment in educational institutions. The report of the Jakarta City governance in 1952 also notes these private (*partikelir*) schools, see *Republik Indonesia Kotapradja Djakarta Raya* (Jakarta, Kementrian Penerangan, 1952), pp. 457-60.

[28] On ideological discourses of modern Indonesia see B.J. Boland, *The Struggle of Islam in Modern Indonesia* (The Hague: Martinus Nijhoff, 1982).

and distribution of *zakat* and *fitrah* in major provinces,[29] and also recorded the number of Islamic schools, *pesantrens*, and religious gatherings (*pengajian*) in the country. The Dutch-inherited mosque funds were also recorded by the department and the records show that the balance of the funds was huge.[30]

In the 1950s religious identity was not strong enough to support the implementation of *zakat* and other Islamic practices. However it does not mean the practices of *zakat* and *fitrah* were extinct. An examination of *fitrah* in Minangkabau society shows that *fitrah* in most places continued to be practised (mostly given to village clerics). Local culture and economy influenced the method and how much to pay for *fitrah*.[31] While the practices of *fitrah*, *zakat* and *waqf* remained a strong tradition among Muslim communities, the idea of formal state institutionalisation of *zakat* and *sedekah* arose from limited individuals and movements. For example, the Darul Islam (DI) movement of Kartosuwirjo advocated that tax be abolished and *infak* (donation) be used instead.[32]

Works on Islamic philanthropy do not particularly promote an Islamist view. A book entitled *Kupasan tentang Zakat, Waqf dan Baitul Mal*[33] (A compendium on *zakat, waqf* and *baitul mal*), published in 1948, seems to balance the competing ideas of Islam and the nation-state. The book gives concise information on the three Islamic financial institutions of *zakat*, *waqf* and *baitul mal* and provides an ideal model of *zakat* implementation under an Islamic state. It was written by Mohammad Adnan, the Chief of the High Islamic Court (Mahkamah Islam Tinggi)—a man who was probably a Traditionalist Muslim. The *Risalah Zakat* by A. Hassan, who is a Muslim Modernist, was written in a similar vein to the previous book.[34] Both provide only a general concept without giving details on how *zakat*

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[29] Kementrian Agama, "Daftar Statistiek Zakat/Fitrah 1954/1955 [dan] Daftar Perangkaan madrasah/pondok/pesantren/ pengadjian di seluruh Indonesia pada tgl. 31 Desember 1955", (Jakarta, 1956), microfiche. The statistical information gives details of *zakat* collection in eight areas, namely Jakarta, West Java, East Java, Central Java, Yogyakarta, South Sumatra, Kalimantan, and Sulawesi.

[30] See *Statistik Kementerian Agama 1957* (Jakarta: Djawatan Penerangan Agama, 1959).

[31] Umar Junus, "The Payment of Zakat Al-Fitrah in Minangkabau Community" *BKI* 122 (1966), pp. 447-54.

[32] See the Constitution of Darul Islam in Boland, *The Struggle of Islam*.

[33] R.H. Mohammad Adnan, *Kupasan tentang Zakat, Waqaf dan Baitul Maal* (Jogjakarta: Kementrian Agama RI Bahagian penjiaran/penerangan Jogjakarta, 1948), p. 13. In general, the book provides brief information on *zakat, waqf, and baitul mal* according to an orthodox understanding.

[34] A. Hassan, *Risalah Zakat* 2nd ed. (Jakarta: Tintamas, 1961).

should be implemented in Indonesia. Both carefully accept the modern interpretation of using *zakat* "for the path of God" (*fi sabilillah*)—an interpretation that has been widely accepted and practised in Indonesia. The report of *zakat/fitrah* collection and distribution in 1954 by MORA (Ministry of Religious Affairs) splits the distribution of rice into seven categories of *zakat* recipients including "*fi sabilillah*." It omits the category of "those in bondage" or "slaves" (*fi riqab*).[35]

A modern interpretation of *zakat* was intensively propagated by M. Hasbi Asy-Shiddieqy, a professor of Islamic studies at the State Institute of Islamic Studies Sunan Kalijaga Yogyakarta and a Muhammadiyah leader. He proposed a "*fiqh* Indonesia," adapting Islamic law to the Indonesian context.[36] He challenged four subjects in *zakat* matters: (1) the interpretation of who could be a beneficiary of *zakat*, (2), inflexibility in the forms of *zakat* payment, (3), *zakat* organisations, and (4), the relation between the state and *zakat*.[37] Hasbi's thoughts aimed to contextualise and modernise the practice of *zakat*. He not only targeted the strict interpretation of the use of *zakat* for "the path of God"—something which has been done by other scholars, including Sayyid Qutb—but also focused on many other specific details regarding the easing and mobilising of the implementation of *zakat*.[38]

Hasbi builds the argument that *zakat* is an individual religious matter that can be implemented under a secular state. He does not deny that ideally it is better if *zakat* is collected under state organisation; however, he encourages people to pay *zakat* regardless of whether or not the state is Islamic or whether its leaders are Muslims. This opinion is very important for Indonesian Muslims, who live in a "secular-religious" state. Though Hasbi's opinions were controversial in the 1950s and 60s, his books—including the ones on *zakat*—have been reprinted several times.

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[35] "Daftar Statistiek Zakat/Fitrah 1954/1955".

[36] R. Michael Feener, *Muslim Legal Thought in Modern Indonesia* (Cambridge: Cambridge University Press, 2007), pp. 59-69.

[37] These views are supported by strong arguments in three of his books *Ichtisar Tuntunan Zakah dan Fithrah* 6th ed. (Jakarta: Bulan Bintang, 1958), *Pedoman Zakat*, 2nd ed. (Jakarta: Bulan Bintang, 1967), and *Dasar-dasar Pemerintahan Islam* (Medan: penerbit Saiful, 1950). The last argues that Indonesia's system of a democratic Republic with a parliamentary system (not a monarchy or autocracy) is the right form of Islamic state, according to the Qur'an and the Rightly-Guided caliphs.

[38] Most contemporary scholars have referred to Sayyid Qutb in his *Al-'Adala al-Ijtimaiyyah fi al-Islam*, [Social Justice in Islam], 5th ed. (Egypt: Dar Ihya al-Kutb al-'Arabiyya, 1957), p. 135, which states that "on the path of God" refers to general kinds of charity, such as giving scholarships or medical treatment (*'ilaj al-mardha*), and not only to specific purposes such as supporting the army in wars.

The Modernisation of Waqf

A modernisation of *waqf* was also under way. The idea of modern *waqf* and commercial *waqf* (known as "profitable" *waqf* or "productive" *waqf*)[39] has probably been encouraged by the long-established university of Al-Azhar. Although the discourse over this profitable *waqf* and modern *waqf* foundation (*yayasan wakaf*) has not been extensive,[40] both kinds of *waqf* have been in place since the 1950s, when political conditions allowed it, as Indonesia had by then obtained both *de jure* and *de facto* independence.[41] There were two growing forms of modern *waqf*: the establishment of Islamic universities and the modernisation of *waqf* of *pesantren*. Both initiatives, I assume, are modelled on the *waqf* of Al-Azhar, which is well-known as a good "profitable *waqf*" as well as a leading centre for Islamic studies.

Three *waqf* foundations for Islamic universities[42] were initiated in 1950 and 1951. First, the Waqf Foundation of Semarang (Yayasan Wakaf Semarang) was created on 19 July 1950[43] by M. Sulchan on the initiative of Abdullah Hinduan, a graduate of Darul Ulum (Egypt) who was considered to have been successful in founding the Waqf Foundation of Pekalongan. The *waqf* foundation of Semarang established the Islamic University of Sultan Agung Semarang (Universitas Islam Sultan Agung of Semarang—UNISULA) as late as 1962.[44]

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[39] Commercial *waqf* refers to the use of *waqf* properties in commercial and profitable ways—for example, the establishment of a hostel on a *waqf* land would theoretically give more benefit rather than leaving the piece of land unmanaged or renting it to be planted.

[40] Naziroeddin Rachmat, *Harta Wakaf. Pengertian, Perkembangan dan Sedjarahnja di dalam Masjarakat Islam Dulu dan Sekarang* (Djakarta: Bulan Bintang, 1964), first edition. Rachmat compares *waqf* institutions in several Muslim countries. In Indonesia the institution was not well-established and was in bad condition. Rachmat suspects it was intentionally kept this way by the Dutch government. He describes the situation of *waqf* in Indonesia as one of lack of professional human resources, embedded in "lazy culture", and corruption (p. 15). He gives an example of the *waqf* land of the great Mosque of Demak (Central Java). In 1957-58 its annual rent was about Rp. 114.000 given for the mosque. This was a very large amount, but people took it for granted and the money was not used efficiently. He maintains that this kind of *waqf* is harmful and he therefore supports the use of commercial *waqf*.

[41] The Dutch finally recognised Indonesian independence in 1949.

[42] The Islamic state university was created as early as 1 June, 1957, as the ADIA (Akademi Dinas Ilmu Agama or State Academy of Religious Science).

[43] It is based on legal document (Akte Notaris) no 86. Ibid. Other sources state 31 July 1950.

[44] Hadji M. Sulchan, *Sedjarah Perkembangan Jajasan Badan Wakaf Semarang* (Penerbit "UNISULA" Semarang, 1964).

Second, the Waqf Foundation of the Islamic University Jakarta (Yayasan Wakaf Perguruan Tinggi Islam Jakarta) was also established in 1950.[45] The university was formally opened on 14 November 1951 under the name Universitas Islam Jakarta (UID).[46] A year later, the Waqf Foundation of the Islamic University of Indonesia (Yayasan Wakaf Universitas Islam Indonesia, or UII)—the third university *waqf*—was established in Yogyakarta.[47] It was created as a foundation for the Islamic College (Sekolah Tinggi Islam—STI), which was established by the Masyumi party on 28 July 1945 in Jakarta. The STI moved to Yogyakarta during the war and became UII.[48] The UII embodied the idea propounded by Masyumi and Muhammadiyah that *zakat* can be used to support Islamic institutions.[49] All of these *waqf* universities received financial support from the government and the development of their "profitable *waqf*" is still ongoing, UII being regarded as one of most successful institutions in managing "profitable *waqf*".

The modern *waqf* foundation has expanded to the institution of *pesantren*. The first *pesantren* recorded as having taken the initiative to have a formal *waqf* foundation was Pondok Modern Gontor in Ponorogo, a pioneer in modernising *pesantren*, whose founding father endowed the *pesantren* in 1958.[50] Since that time, the majority of modern *pesantren* in the 1990s have started to use profits from *waqf* for their own support without abandoning the traditional *sedekah* fundraising. Due to this initiative, Pondok Modern Gontor became the model of a "profitable *waqf*" for other *pesantren* and Islamic institutions.

The New Order government (1965-1998) tried to fit *waqf* into its "development" ideology and between 1975 and 1980 there were at least nine research projects on *waqf*, which were initiated and funded by the government

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[45] Panitia Peringatan Lima Tahun Perguruan Tinggi Islam Djakarta, *Peringatan Lima Tahun Jajasan Wakaf Perguruan Tinggi Islam Djakarta* (Jakarta, Perguruan Tinggi Islam Djakarta, 1955).

[46] Ibid. UID is an abbreviation of Universitas Islam Djakarta.

[47] *Badan Wakaf Universiti Islam Indonesia* (*UII*) (Jogjakarta: Universiti Islam Indonesia, 1951), fiche. More information about the *waqf* body of UII may be found in Chaider S. Bamualim, "Badan Wakaf Universitas Islam Indonesia (UII) Yogyakarta: Wakaf untuk Modernisasi Perguruan Tinggi Islam", in *Revitalisasi Filantropi Islam. Studi Kasus Lembaga Zakat dan Wakaf di Indonesia*, ed. Chaider S. Bamualim and Irfan Abubakar (Jakarta: Center for Language and Culture, 2005), pp. 255-82.

[48] Ibid.

[49] The *waqf* document (Chapter 4) emphasises various forms of fundraising including *waqf, zakat*, gifts, and government subsidies. See Badan Wakaf Universiti.

[50] On the *waqf* of Pondok Modern see Irfan Abubakar, "Pengelolaan Wakaf di Pondok Modern Gontor Ponorogo: Menjaga Kemandirian Civil Society," in *Revitalisasi Filantropi Islam*, pp. 217-54.

and which covered most areas of Indonesia including Maluku and West Papua.[51] The reports provide the general conclusion that *waqf* has great untapped potential as a resource for religious activities, but that it is not yet advanced. The majority of *waqf* comprised "dead" estates that were mostly used for traditional purposes, namely mosques, schools, rice plantations and cemeteries, the "profitable *waqf*" being mostly rented rice fields. The condition of the *waqf* institution itself became economically unprofitable and the reform towards modern and profitable *waqf* was somewhat difficult. Accordingly, there have been no follow-up projects from the research.

The number of *waqf* estates was actually huge, and increased further from time to time. Djatnika's study on East Java shows that *waqf* estates increased significantly after independence until 1971 but slowed thereafter. In the period 1946-1950 there were 347 new registered *waqfs*; in 1951-1955 there were 631; in 1956-1960 there were 919; in 1961-1965 there were 287; in 1966-1970 there were 639; in 1971-1975 there were 433, and in 1976-1979 there were 124. The fluctuations in the numbers were less to do with economic development than with local and national politics. Even in the economi-

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[51] The research projects were carried out by various institutions: the State Institute for Islamic Studies (IAIN), the Ministry of Religious Affairs, and the provincial government of Jakarta. Eight of them are as follows.

1. Moeslim Abdurrahman and Amidhan, "Tanah Wakaf: Potensi dan Masalahnya" (Report, Proyek Pembinaan Sarana Keagamaan Islam, Dirjen Bimbingan Masyarakat dan Urusan Haji, Departemen Agama, 1979/1980);
2. Harun Nasution (cord.), "Laporan Hasil Penelitian Peranan Wakaf sebagai Sarana dan Dana bagi Pembinaan Keagamaan" (Report, Faculty of Ushuluddin IAIN Jakarta, 1975);
3. Abdurrahman Syihad, Quraish Syihab and Muhammad Ahmad, "Hasil Penelitian tentang Peranan Wakaf sebagai Sarana dan Dana bagi Pembinaan Keagamaan" (Report, IAIN al-Jami'ah Alauddin Ujung Pandang, 1975);
4. Lembaga Research dan Survey IAIN Walisongo, "Laporan Hasil Penelitian tentang Peranan Wakaf sebagai Sarana dan Dana bagi Pembinaan Keagamaan" (Report, Lembaga Research dan survey IAIN Walisongo Jawa Tengah, 1975/6);
5. Sholahuddin Sanusi et al., "Pembinaan Wakaf dalam Hubungannya dengan Pembangunan Masyarakat (Penelitian Harta Kekayaan Wakaf dan Pemanfatannya di Daerah tk I Jawa Barat)" (Report, IAIN Sunan Gunung Jati Bandung, 1976);
6. IAIN Imam Bonjol, "Laporan Penelitian Peranan Wakaf sebagai Sarana dan Dana bagi Pembinaan Keagamaan di Sumatera Barat" (Report, Proyek Penelitian Agama dan Kepercayaan terhadap Tuhan YME, IAIN Imam Bonjol Padang, 1975/6);
7. Lembaga Research dan Survey IAIN Sunan Kalijaga Yogyakarta, "Peranan Wakaf sebagai Sarana dan Dana bagi Pembinaan Keagamaan" (Report, IAIN Sunan Kalijaga Yogyakarta, 1975);
8. IAIN RAden Fatah, "Hasil Penelitian Wakaf, P2A, BP4 dalam Propinsi Sumatera Selatan dan Propinsi Bengkulu" (Report, IAIN Raden Fatah Palembang, 1976).

cally difficult period of 1941-1942, there were 201 new *waqf*,[52] the highest number of new *waqf* being due to the agrarian reform of 1960. Many landowners donated their estates rather than let them be taken over by the state or by peasants. Thus the reform unintentionally benefited Islamic institutions such as *pesantren*. By way of example, the Pesantren Gontor obtained *waqf* of 240 ha rice fields.[53]

The problem with *waqf* was not scarcity, but rather its form and usage which strongly followed established custom, making *waqf* into totally "dead" properties. A strict reading and implementation of Shafi'i *fiqh* may also have hindered the development of *waqf* due to its exclusion from the economy. "Productive *waqf*" such as plantations became an important issue among Modernist Muslims, especially those from Muhammadiyah. However, the discourse over *waqf*—the charity which is not explicitly written in the Qur'an—did not lead to it having broad appeal across the society. This is unlike that of *zakat,* which was strongly endorsed in the Qur'an and annually attached to Muslim life, and—for Islamists—related to state matters. Following independence from the non-Muslim ruling power, interest in the implementation of *zakat* by the state emerged, as will be discussed in the next section.

The Beginning of State Interest in Zakat

The involvement of the state in *zakat* matters began with the New Order government, although there was growing interest in the Old Order period.[54] The Minister of Finance Yusuf Wibisono stated that *zakat* should be included in the state finance system.[55] Wibisono's interest in *zakat*, and that of the state, was motivated by the growing discourse about *zakat* by Muslim scholars.[56] There is no information that the Ministry of Finance worked seriously on the idea, which was probably counter to the policy of the Old Order, the challenge during that time being the challenge of maintaining the nation-state, which united various religious adherents.

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[52] Rachmad Djatnika, "Les Biens de Mainmorte (Wakaf) A Java-Est" (Ph.D. dissertation, École Des Hautes Études Et Sciences Sociales, 1982), pp. 136-70.

[53] Ibid., p. 286-7.

[54] Moch. Nur Ichwan, "Official Reform of Islam State Islam and the Ministry of Religious Affairs in Contemporary Indonesia, 1966-2004" (Ph.D dissertation, University of Tilburg, November 2006), p. 188.

[55] Muhammad Daud Ali, *Sistem Ekonomi Islam: Zakat dan Wakaf* (Jakarta: UI Press, 1988), p. 35.

[56] Ibid.

The Minister of Religious Affairs (MORA) K.H. Wahid Hasyim, for example, states that his ministry tried to facilitate all religious practices equally.[57] In a circular issued in 1951, the ministry stated that it would not interfere with *zakat* and *fitrah* matters, but encouraged Muslims to fulfil them.[58] Although in 1954 the Old Order government began to show an interest in dealing with religious practices—namely recording *zakat* and *fitrah*—these remained under its previous non-interventionist policy inherited from the Dutch. Thus the government tended to follow the legacy of the Dutch administration in having a religiously neutral state which theoretically only facilitated the religious life of the population without intending to be involved in or to manage religious practices.[59]

The New Order government played the *zakat* card to maintain Muslim support as well as to fit *zakat* into the developmental ideology of the regime, as had happened with *waqf*. The regime supported *zakat* and *waqf* activities, which indirectly supported Islamisation, right from the beginning. This fact is in accordance with the research of M.C. Ricklefs showing that the regime promoted grass-roots Islamisation actively under its control with three purposes, namely (1) to enhance social control, (2) to eliminate Communist influences and (3) to side-line NU's influence (for NU was seen as a competitor to the regime at grass-roots level until into the 1980s).[60]

The regime's involvement in *zakat* started from 1968 with the establishment of the state-based *zakat* agency (Badan Amil Zakat or BAZ)[61] and the interest in *zakat* grew in the early period of the New Order, based, I would

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[57] K.H.A. Wachid Hasjim, "Kedudukan Agama dalam Kementerian Agama", in *Penjiaran Kementerian Agama* (Yogyakarta: Pertjetakan Kita, 1951).

[58] Nur Ichwan, "Official Reform of Islam", p. 189.

[59] On the Dutch policy, see Chapter 3.

[60] M.C. Ricklefs, *Islamisation and its opponents in Java: A political, social, cultural and religious history, c. 1930 to the present* (Singapore: National University of Singapore Press; Honolulu: University of Hawai'i Press, 2012).

[61] Bahtiar Effendy, *Islam dan Negara Transformasi Pemikiran dan Praktik Politik Islam di Indonesia* (Jakarta: Paramadina, 1998); Arskal Salim, "Zakat Administration in Politics of Indonesian New Order" in *Shari'a and Politics in Modern Indonesia*, edited by Arskal Salim and Azyumardi Azra (Singapore: Institute of Southeast Asian Studies, 2003), pp. 181-92; Arskal Salim, *Challenging the Secular State: The Islamization of Law in Modern Indonesia* (University of Hawaii Press, Nov 2008), pp. 155-66; and Amelia Fauzia, "Bazis DKI Jakarta: Peluang dan Tantangan Badan Amil Zakat Pemerintah" [Bazis DKI Jakarta: Challenges and Opportunities of a state-based alms agency], in *Revitalisasi Filantropi Islam*, edited by Chaider Bamualim and Irfan Abubakar (Jakarta: The Centre for Languages and Cultures of the State Islamic University Jakarta, 2005), pp. 31-60; and Moch. Nur Ichwan, *Official Reform of Islam*, pp. 188-212.

suggest, on the growing interest among Muslim leaders in the deeper Islamisation of society or the state. Among significant initiatives was the proposal and endorsement of eleven leading *'ulama*[62] on 24 September 1968 to then-President Soeharto to actively promote *zakat* and endorse the establishment of *zakat* bodies under the provincial government.[63] MORA worked to gradually institutionalise state *zakat* management through ministerial regulations for the establishment of *zakat* agencies and a proposal for a law on *zakat*, both of which failed to be passed into law.[64]

I agree with many scholars that the failure of this was mostly to do with President Soeharto not supporting a formalisation of Islam under the state, for fear of political Islam. However, Soeharto continued to support the *zakat* movement. He did not openly reject the idea of the formalisation of *zakat*, and institutionalised *zakat* by creating a national *zakat* movement where he himself acted as *zakat* collector.[65] He also issued a Government Decree which appointed a staff of three—among whom was Major General Alamsyah Ratuprawiranegara—to help with the president's task as a *zakat* collector.[66] Soeharto's decisions (which, on one side, rejected the formal state regulation but on the other side created the *zakat* movement) suggest that he was saying "*Islam yes, Islamic state no*"—a position which would later be famously voiced by a progressive Modernist Muslim intellectual Nurcholis Madjid as "*Islam yes, Islamic party no*." Soeharto tried to diminish the efforts toward Islamic state formalisation, in a way that did not offend the Muslim population and the efforts of *zakat* for development.

Therefore, Soeharto supported his aides in establishing provincial *zakat* agencies from 1968 to 1985. General Ali Sadikin, the governor of Jakarta,

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[62] Among the *'ulama* were Prof. Dr. Hamka and KH. Hasan Basri, both Modernist Muslims.

[63] See the letter in Abudin Nata et al., *Pengelolaan Zakat dan Infak/Sedekah di DKI Jakarta* (Jakarta: Badan Amil Zakat dan Infak/Sedekah (BAZIS) Daerah Khusus Ibukota Jakarta, 1999), pp. 90-3.

[64] Regulation of Minister of Religious Affairs (PMA) No 4/Juli/1968 on the establishment of BAZIS and Regulation of Minister of Religious Affairs (PMA) No 5/Oktober/68 on Baitul Mal were annulled in 1969. The proposal of *zakat* law was also rejected by the other ministries. PMA no 4 1968 is published in Abudin Nata, ibid., pp. 85-9.

[65] See a detail discussion in Nur Ichwan, *Official Reform of Islam*, pp. 190-6 and Salim, *Challenging the Secular State,* pp. 156-61, and also my chapter on "Bazis DKI Jakarta", pp. 32-3.

[66] Government Decree no 07/PRIN/10/1968 appointed among others Major General Alamsyah Ratuprawiranegara, one of Soeharto's confidants to help the president with the *zakat* collection.

established a state-based *zakat* agency[67] on 5 December 1968.[68] He was the first New Order Governor to set up a *zakat* agency in his province, even though Soeharto had announced his own willingness to be a national *zakat* collector. This suggests that Soeharto did not really have a problem with MORA's proposal for the establishment of state-based *zakat* agencies even though he had already announced himself as a national *zakat* collector.[69] I presume that Soeharto wanted to act as a national *zakat* collector in order to reap benefits from the *zakat* funds. Soeharto thought that *zakat*, *sedekah* and other kinds of charitable giving had economic potential for development—something that can be seen in his autobiography[70] and in a 1968 speech as follows:

> A 90 per cent majority of the Indonesian population is Muslim; and from that number let us say there are about 10 million Muslims obliged to pay *zakat*. Take on average that they are expected to pay *zakat* due on Rp. 10,000. If the rate of *zakat* is 2.5 per cent from this amount, then Indonesian Muslims will gather capital of 1/40 × 10 million × Rp. 10,000, which means 2.5 billion rupiah[71] each year! This is a good amount of capital. Let us use this capital effectively and efficiently. We shall develop it by varied means for more appropriate targets. We can use this resource to establish mosques, hospitals, orphanages, help the aged, provide jobs for the destitute and poor, and for other social, spiritual and religious development in more productive ways. That amount is not definite yet; it may increase if wealthy Muslims really give 2.5 per cent of their wealth for *zakat*.
>
> The collection of the [*zakat*] capital and its use with national scope, as I described above, means it can fight against poverty with substantial assets. Development with such a large capital means providing new vocations that

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[67] The BAZ agency focused only on the collection of *zakat*. In 1973 it also began to collect *infak* and *sedekah*, and changed its name to BAZIS accordingly. H. Soekarsono et al., *Rekomendasi dan Pedoman Pelaksanaan Zakat* (*Hasil Penelitian dan Seminar Zakat DKI*) [hereafter referred to as *Rekomendasi*], 2nd ed. (Jakarta: Badan/Amil Zakat, Infak dan Shadaqah (BAZIS) Daerah Khusus Ibukota Jakarta, 1978), p. 23.

[68] It was based on the Governor's decree no Cb-14/8/18/68. See *Rekomendasi*, pp. 22-3; Taufik Abdullah, "Zakat Collection and Distribution in Indonesia" in *Islam and the Economic Development of Southeast Asia: The Islamic Voluntary Sector in Southeast Asia*, edited by Mohamed Ariff (Pasir Panjang, Singapore: Institute of Southeast Asian Studies, 1991); H.M. Soekanta AS, the Chairman of BAZIS, interview by the author, 27 October 2003.

[69] In addition, the cancellation of the two regulations did not have any negative impact on the position of Mohammad Dahlan as the Minister of Religious Affairs. In many cases Soeharto abandoned his aides who made mistakes.

[70] Soeharto, *Pikiran, Ucapan, dan Tindakan Saya: Otobiografi*, [Soeharto, my thoughts, words, and deeds], seperti dipaparkan kepada [as told to] G. Dwipayana and Ramadhan K.H. (Jakarta: Citra Lamtoro Gung Persada, 1989). See chapter 41 entitles "Mobilising the Capability of Government and Community".

[71] About 1 million USD at that time (conversion rate was about Rp 2,500).

> can move economic activities in various sectors. This is only an example of a challenge that should be answered by the Muslim community. For the first step, I will announce to all Indonesian Muslims that I myself am ready to organise this massive *zakat* collection. Let us prove that the Indonesian Muslim community is a united community that can truly provide real charity for the advancement of the Muslim community in particular, and Indonesian society in general. Personally I will make myself available to directly receive money orders (*wesel*) of *zakat* from all Muslims in the Indonesian archipelago. With God's will (*insya Allah*) I will regularly announce to all Indonesian people how much money I receive and I will be responsible for the expenditure. I hope my appeal will really get attention and a positive response from Islamic leaders and all Muslims.[72]

Soeharto's calculation of *zakat* capital is similar to his calculation of the *sedekah* money collected by his Amal Bakti Muslim Pancasila foundation.[73] His plan was to make *zakat* into economic capital for national development, though he probably gave up his hopes of mobilising *zakat* in 1970. In his function as a national *zakat* collector he could only collect Rp. 39.5 million and USD 2,475, which was far from what he had expected.[74] Later he succeeded in managing *sedekah* through his personal charitable foundations, such as Yayasan Amal Bakti Muslim Pancasila,[75] Yayasan Dharma Bhakti Sosial (Dharmais), and Yayasan Supersemar.[76]

Soeharto's approach to *zakat* is consistent with his approach to other charitable resources which he organised under his various personal foundations and I would read this *zakat* policy of Soeharto's as an effort to fit

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[72] Soeharto, "Zakat Adalah Modal Ummat Islam untuk Pembangunan dan Memerangi Kemelaratan dengan Cara-cara yang lebih Prinsipil, Sambutan Presiden pada Peringatan Isra' Mi'raj tanggal 26 Oktober 1968 di Istana Merdeka", in *Agama dalam Pembangunan Nasional Himpunan Sambutan Presiden Soeharto*, ed. Djohan Effendi et al. (Jakarta: Pustaka Biru, 1981), p. 266.

[73] Soeharto, *Pikiran, Ucapan, dan Tindakan Saya*, pp. 285-6; Muarif Ambary ed. et al., "Yayasan Amal Bakti Muslim Pancasila (YAMP)", in *Ensiklopedi Islam*, vol. 1 (Jakarta: Ichtiar Baru van Hoeve, 1993), p. 133.

[74] This amount was read out in his speech on 30 November 1970 on the occasion of *'Id al-Fitr* entitled "Tidak Menghiraukan Fakir Miskin adalah Mendustakan Agama", *Agama dalam Pembangunan Nasional*, p. 272.

[75] For information on this foundation see Muarif Ambary, ibid., pp. 132-3.

[76] In his autobiography Soeharto explains his methods and purposes for setting up the foundations, and how he managed their funds. He wanted to "educate" government employees (*pegawai negeri*) to perform their "obligation" as religious persons. *Sedekah* money from Muslim employees was collected and managed by the Yayasan Amal Bakti Muslim Pancasila and those of non-Muslim employees by the Yayasan Dharmais. For details of the collection and use of funds see Chapter 41 "Menggerakkan Kemampuan Pemerintah dan Masyarakat" [Mobilising the ability of government and people] in *Pikiran, Ucapan dan Tindakan Saya*, pp. 283-93.

zakat into development ideology, which is a modern idea on the collection and disbursement of *zakat* for eradicating poverty. However, this top-down policy underestimated the local tradition of *zakat* payment in the Muslim community. Rather than following the president's *zakat* movement, the majority of Muslims continued to pay their *zakat* and *fitrah* directly to the poor, to *'ulama*, or to organisations, as I will show later in two following sections.

At the same time, however, there was a great effort in civil society to deal with *zakat* matters at state level, as part of an endeavour to "Islamise society" or even "Islamise the state."[77] The demand for *zakat* was based on the hopes that the new regime would give a "reward" for the significant support and involvement Islamic activists had had in crushing the communists. The year 1968 was a "honeymoon" period—to use Mohammad Natsir's term[78]—for Islam and the State; a time when relations between the two were more agreeable than before.[79]

However, though Soeharto was probably disappointed with the lack of a Muslim response to the *zakat* movement he still let his (military) governors create and control the state-based *zakat* agencies at provincial level. With strong support from the military, the regime had no desire to give more concessions to civil society. Therefore, other provinces later established provincial *zakat* agencies which were led by the governors themselves. These were East Kalimantan (1972), West Java (1974), Aceh, West Sumatra, South Sumatra, and Lampung (all in 1975), South Kalimantan (1977), South and North Sulawesi (1985), and West Nusa Tenggara.[80]

Resistance against Zakat *Collection*

During the New Order, the development of community *zakat* agencies was small. The establishment of *zakat* and charitable organisations was mostly in the circle of provincial government offices, such as Bazis DKI; was carried out by foundations of government officials; or was under the neighbourhood *zakat* committees in urban areas.

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[77] See Bahtiar Effendy, *Islam dan Negara Transformasi Pemikiran dan Praktik Politik Islam di Indonesia* (Jakarta: Paramadina. 1998), and Boland, *The Struggle of Islam*.

[78] M. Natsir, "Penyakit Islamofobia", in *Percakapan antar Generasi: Pesan Perjuangan Seorang Bapak*, edited by A.W. Pratiknya (Jakarta-Yogyakarta: Dewan Dakwah Islamiyah Indonesia (DDII) and Laboratorium Dakwah, 1989), p. 88.

[79] Boland, *The Struggle of Islam*.

[80] These state-based *zakat* bodies had different names, such as BAZ, BAZI, BAZIS, BAZID (D for *derma* -- donation), Badan Harta Agama (Aceh), Lembaga Harta Agama Islam (North Sumatra), or Yayasan Sosial Islam (West Sumatra).

The state-based *zakat* agencies were, in reality, only supported by Muslim government employees, who had no other choice than to agree to *zakat* being deducted from their salaries. In addition to BAZ, around 1970 MORA instructed that village *zakat* committees[81] be formed to endorse the *zakat* and *fitrah* payment of Muslims. Again, due to the top-down nature of the system, some Muslim communities, in particular Nahdlatul Ulama, refused to pay their *zakat* to these committees.

There was opposition or, more specifically, hidden resistance[82] to state-based *zakat* agencies and the village *zakat* and *fitrah* committees. The resistance was mainly a refusal to contribute to both institutions, including the charitable foundations established by government officials, and was observable among Nahdlatul Ulama followers in rural communities, for example, in central Java. Nahdlatul Ulama followers stubbornly kept paying their *zakat* to local *kyai*, abandoning the payment of *zakat* to neighbourhood association *zakat* committees.[83] Some *kyai* openly criticised the state-based *zakat* committees in their speeches at religious gatherings (*pengajian*). Dirdjosanjoto has shown that the redirecting of *zakat* payment to state committees weakened the social and political power of *kyai* as well as reducing their income.[84]

Charitable foundations established by government officials also suffered from this kind of rejection. A regent (*bupati*) of Banyumas established the Basmalah foundation in the 1980s. Supported by MUI of Banyumas, it collected and managed philanthropic contributions from all people in Banyumas. It asked for a contribution of Rp. 100 from each household, which was administered through the government apparatus using neighbourhood associations. It gained about Rp. 38 million a month. However, people criticised the foundation because they did not see the benefit of what they were contributing to and accordingly stopped their contributions. In consequence, due to its lower income, the foundation stopped functioning.[85]

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[81] I differentiate between agencies and committees. The latter function only temporarily and the former are organised. A detailed explanation of types of zakat agencies will be given in Chapter 6.

[82] Using James Scott's scheme in *Resistance Without Protest: peasant opposition to zakat in Malaysia and to the tithe in France* (Townsville: Asian Studies Association of Australia, 1986, c1987), and *The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia* (New Haven: Yale University Press, 1976).

[83] Pradjarta Dirdjosanjoto, *Memelihara Umat, Kiai Pesantren-Kiai Langgar di Jawa* (Yogyakarta: LKiS, 1999), pp. 196-204.

[84] Ibid.

[85] In 1999 the Basmalah foundation was formally disbanded and all of its assets were given to the Bazis Basmalah, which in 2001 became BAZDA (Badan Amil Zakat Daerah)

Another type of resistance took the form of community-based *zakat* organisations. This was a kind of "soft resistance" practised mainly by Modernist Muslims. Rather than giving their *zakat* to the state apparatus, they created their own organisations. As a result, non-state *zakat* bodies grew in opposition—or at least as alternatives—to state-based *zakat* agencies. One of these was Bapelurzam, which will be discussed in the final section.

In the years following the establishment of the state *zakat* agency, enthusiasm for managing *zakat* continued to grow. This was partially due to the accommodative Islamic policy of the New Order in the late 1980s, and particularly after 1991, when its alliance with the military weakened.[86] This was exploited by religious figures as an opportunity to see their demands met, namely, that the government agree on a more extensive implementation of Islamic law in the country. These demands resulted in a number of regulations, including the establishment of an Islamic bank, the Religious Judicature law in 1989, and the Presidential Decree on the Compilation of Islamic law in 1991.[87]

In 1989, in order to provide a strong foundation for the practice of *zakat*, the Minister for Religious Affairs issued Instruction No. 16/TH, 1989, which was followed by a Joint Decree from the Minister of Religious Affairs and the Minister of Home Affairs No. 29, 1991, regarding the management of BAZIS.[88]

The New Order's political change towards accommodating Islam brought a revival of *zakat* in the 1990s, but was focused on state-based *zakat* agencies. The Indonesian Association of Muslim Intellectuals (Ikatan Cendekiawan Muslim Indonesia or ICMI) was also behind the effort to modernise *zakat* agencies. Records of a National Meeting of the state *zakat* agency (BAZIS) held in March 1992[89] show that Dawam Rahardjo, one of

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Banyumas. Drs. Nasib Abbas, Head of the Office of Religious Affairs of Banyumas, interview by the author, 12 September 2005; Drs. Purwanto Hendro Puspito, head of Zakat and Waqf at the Office of Religious Affairs at Banyumas Regency, interview with author, 13 September 2005.

[86] M.C. Ricklefs, *Islamisation and its opponents in Java.*

[87] Compilation of Islamic Law (Kompilasi Hukum Islam—KHI) consists of laws on marriage, inheritance and *waqf*, passed in 1991. Although the KHI is only a presidential decree and is not law, it has the political implication that the New Order government has acknowledged Islamic law.

[88] This decree gives an effect to recognition of the status of philanthropic organisations at the national level. However, they function as autonomous bodies, attached to and facilitated by provinces without any national level coordination. This results in differently managed philanthropy organisations in different provinces.

[89] The role of ICMI can clearly be seen in *Pedoman Pembinaan Badan Amil Zakat, Infaq dan Shadaqah Hasil Pertemuan Nasional I BAZIS se-Indonesia, 3-4 Maret 1992* (Jakarta: Ditjen Bimas Islam dan Urusan Haji Departemen Agama, 1992).

the ICMI's leaders, directed the modernisation of Islamic charity. The establishment of Dompet Dhuafa Republika,[90] a leading *zakat* agency in the *Reformasi* period, was also due to the blessing of ICMI and the New Order policy towards Islam.

Apart from government policy, modern and rational thoughts on Islamic philanthropy developed together with a growing Islamic identity. Calls for *zakat* reform became stronger after 1984 and they fitted in with the ideas of social justice and poverty eradication. The Ulama council, Muhammadiyah, and Nahdlatul Ulama joined in, and the idea of "professional *zakat*" (*zakat profesi*) or "*zakat* of income" (*zakat penghasilan*) began to develop.[91]

Modernist Muslims were much more advanced than others in regard to the issue and activities of philanthropy. Nahdlatul Ulama appears to have tried to follow the spirit of reform, but was hindered by its lack of human resources and its strict adherence to the *fiqh*. Therefore, its 1984 Muktamar (general meeting) at Situbondo, for example, decided to establish a special institution to manage the *zakat* of NU communities. There was hardly any LAZ (Lembaga Amil Zakat) that had grown from the NU circle at that time. However, Muhammadiyah was consistent in its philanthropic efforts and executed many projects, such as administering (and legalising) its *waqf* properties through the Majlis Wakaf dan Kehartabendaan and expanding the work of the PKU. Azhar Basyir, the leader of Muhammadiyah, brought the process further forward by proposing a more effective use of *zakat*.[92] Amien Rais proposed that the rate of *zakat* payments should be reconsidered between farmers, who were poor, and "white collar" professionals, who were rich.[93] If farmers should pay about 2.5 per cent, those "while collars" should at least pay 20 per cent of their income. Another Muhammadiyah leader who proposed a progressive idea on Islamic philanthropy is K.H. Fachruddin. He proposed that 'problematical' *waqf* properties (such as damaged buildings and land estates located in inaccessible areas) could be sold, moved, or refurbished to maintain their *waqf* existence.[94]

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[90] Details about Dompet Dhuafa will be given in Chapter 6.

[91] There were seminars, books, and surveys on *zakat*. For example, the MUI of Aceh published "Kajian Zakat dan Pengembangan Lembaga Keuangan" (Zakat Discussion and Developing Financial Institutions).

[92] Azhar Basyir published *Fungsi harta benda dan wakaf menurut Islam* in 1974. This writing is progressive and offers new rational thinking such as a permissibility to use profits earned from *waqf* for the training of prisoners, and for credit loans including for non-Muslims.

[93] Suhardjo Hs et al., "14 Abad setelah At-Taubah", *Tempo*, 21 May 1988, pp. 80-4.

[94] The majority of Muslims strictly followed the Shafi'i regulation which does not allow *waqf* property to be sold, moved, or refurbished for fear of violating Islamic law.

Zakat agencies established either by the state or by Muslim communities worked for the collection of *zakat* and *sedekah* (and later also *waqf*). State-based *zakat* agencies were actually not totally dominated by the state officials for the state did not have the authority to deal with religious matters. Instead it asked for the involvement of religious leaders in the performance of those religious matters and this can be seen in the case of Bazis DKI Jakarta below.

A State Zakat *Agency: Bazis DKI Jakarta*

Tension between state and civil society was clear in Bazis DKI Jakarta right from its birth. There is no doubt that Bazis DKI was (and is) a state agency of *zakat* which was created by the New Order Government. However, the involvement of Muslim leaders—namely independent *'ulama*—was also clear from the beginning. Bazis DKI refers to the meeting of eleven *'ulama* in 1968 as the background of its establishment since the local government borrowed the authority of *'ulama* to support this agency.

Top-down Administration

Bazis DKI has a top-down administration led by the governor and uses a top-down approach in its work. It is one of the service departments under Jakarta's provincial government; therefore it receives financial support from the Regional Annual Budget of Jakarta (*Anggaran Pendapatan Belanja Daerah* or APBD). Its managers are provincial civil servants selected from among the leaders in the administrative regional units of DKI Jakarta, starting at the provincial level and working down through municipality, sub-district, and village levels. The chief of Bazis DKI Jakarta is the Governor of Jakarta; the Chairman at the Municipality level is the Mayor or Deputy Mayor; at the sub-district level it is led by the district head; and at the village level the leader is the village chief. This structure is based on the assumption that the governors and all of the officials are Muslims. In the case of non-Muslim officials, the position would be given to the second-level official. For example, if the mayor is a Christian, the deputy mayor will be the chief of the district Bazis. This centralised structure was originally formed at the inception of BAZIS in 1968 and has not been altered since. In the *Reformasi* period the governor was no longer the chief of Bazis DKI, but instead was one level above the chief of Bazis DKI,[95] and

[95] Governor's decree no 87 1998. The decree is published in Abudin Nata, *Pengelolaan Zakat dan Infak/Sedekah di DKI Jakarta*, pp. 64-83.

although the governor does not deal with operational matters, the position has remained structurally at the top of the Bazis DKI.

Bazis DKI's fundraising still depends heavily on the power of the governor and other heads of districts and villages through its structured top-down system.[96] Its largest *zakat* contribution comes from Muslim civil servants, from municipalities and from prospective *hajjs* as shown in the following table.

Table 5.1 Percentage of Income on *Zakat* and *Infak* of Bazis DKI Period January–September 2003

Source	*Percentage* Zakat	*Percentage* Infak
East Jakarta	4.69	20.92
South Jakarta	12.93	19.79
West Jakarta	13.92	10.16
Central Jakarta	6.83	9.86
North Jakarta	7.38	9.81
Thousand Islands regency	0.24	0.21
Work Units	12.97	3.78
Entrepreneurs	2.08	0.04
Prospective Hajjs	27.27	22.93
Banks and SMS	11.69	2.51
	100.00	100.00

Source: Report on *Zakat* Sources and Report on *Infak* Sources, 2003 from Drs H. Abdul Muhit MA, Director of Collection of Bazis DKI Jakarta.

The *zakat* collection mainly came from salary deductions of Muslim civil servants who worked in six municipalities. Data from the Islamic philanthropy survey confirm that a state-based philanthropy organisation such as Bazis DKI is supported by civil servants. Of the 3.4 per cent of respondents who declared that they gave their *zakat* to state-based Islamic philanthropy organisations, 50 per cent referred to the salary deduction as the reason.[97]

Updated data from 2010 (Table 5.2) shows the consistency of Bazis DKI in getting its *zakat* and *sedekah* income, which used a top-down instruction system within the bureaucracy of provincial government.

[96] Fauzia, "Bazis DKI Jakarta", pp. 39-40.
[97] See Appendix 4, Table 6.

Table 5.2 Percentage of Income on *Zakat* and *Infak* of Bazis DKI in 2010

Sources	*Year 2010* (*in* rupiah)				
	Zakat	%	Infak	%	*Total*
East Jakarta	7,170,029,436	23	5,029,594,955	24	12,199,624,391
South Jakarta	5,671,062,878	18	3,952,354,200	19	9,623,417,078
West Jakarta	4,122,362,905	13	4,740,423,500	22	8,862,786,405
Central Jakarta	2,824,760,417	9	2,359,370,100	11	5,184,130,517
North Jakarta	3,034,925,097	10	2,080,906,000	10	5,115,831,097
Thousand Islands regency	251,629,615	1	41,827,500	0	293,457,115
Work units	4,398,233,544	14	1,693,264,229	8	6,091,497,773
Entrepreneurs/ bureaucrats	2,049,019,500	7	200,350,000	1	2,249,369,500
Prospective *hajjs*	462,904,272	1	1,059,477,000	5	1,522,381,272
Banks	1,463,848,901	5	162,474,886	1	1,626,323,787
Total	31,448,776,565	100	21,320,042,370	100	52,768,818,935

Source: Financial report of Zakat and Infak 2010, courtesy of Kusairi, S.Ag, Public Relations of Bazis DKI Jakarta.

Even though there was no official "enforced" *zakat* and *sedekah* collection, the hegemony of the state was effective. A former DKI staff member who was a lecturer at the State Islamic University Jakarta said that there was no option other than to agree to the deduction (which according to him was a small amount).[98] He kept giving his *zakat* and *sedekah* directly to the poor and other voluntary organisations as well and never thought seriously about the amount deducted from his salary for *zakat*.[99]

This method of collection, however, gave Bazis DKI a negative image. In fact, the organisation is fully aware of this image as can be seen in its publications since the *Reformasi* period which reflect the need for changes, transparency, and accountability.[100] These concerns have been openly

[98] Ridlo Masduki, interview by the author, September 2005.

[99] This individual was a donor to various local voluntary organisations in his area, such as the Muslim Student Association, Muhammadiyah Youth Association, Muhammadiyah Scout group, Muhammadiyah schools, Neighbourhood association, Youth Association, Aisyiyah Orphanage, and the Muhammadiyah hospital. Since the *Reformasi* period, he has paid his *zakat* to many different Islamic philanthropic bodies without reducing his direct *zakat* payment to the poor. Ridlo Masduki, interview.

[100] For example, Bazis DKI Jakarta, "Marwah Daud Ibrahim: Perlu Transparansi untuk Menumbuhkan Kepercayaan", in Bazis DKI, <http://ww.BAZISdki.go.id/index> (accessed

stated by its chief[101] in settings that include public speeches and since *Reformasi* Bazis DKI has tried to improve its professional performance by, among other things, having its reports audited by public accountants.[102]

Pressures to Change

Despite its strong connection with the state, Bazis "cleaned up" its act, especially during the *Reformasi* period. With the increasing power of civil society Bazis DKI was thus forced—not only by external pressure, but also by its boards and the Muslim leaders within its structure—to improve its performance.

Bazis DKI has made improvements in three areas: its structure, its transparency and accountability, and its disbursement programme. First, the leadership in the formal structure shows the involvement of civil society. It has recruited more public figures such as *'ulama*, intellectuals,[103] entrepreneurs, artists, and also NGO activists to sit in on its advisory and trustee boards. Second, it has adopted principles of transparency and accountability, especially in its programmes and its financial reports. These principles are becoming the trend in philanthropic organisations, where there is a "competition" for publishing financial reports to the public. From 2001, Bazis DKI started to publish its reports to the public, including via its website and magazine, and from 2003 it began to audit its annual reports to public accountants.

Third, the disbursement programme of Bazis DKI reflects its adaptation to the transformations with regard to the interpretation and practice of *zakat* disbursements. During the 1970s, and compared to other charitable agencies, Bazis DKI was already advanced in its interpretation of *zakat* disbursement. For example, in 1978 it was already implementing productive *zakat*" (*zakat produktif*), which was disbursed as capital loans given to traders and small business owners. This modern and advanced interpretation came from Muslim scholars who were involved in the development of Bazis DKI, and it is a tradition that remains until today. Although its disbursement categories were still the *fiqh*/Qur'anic ones of (1) the poor/needy (*fuqara/ masakin*), (2) "*Fi Sabilillah*" and (3) *Muallaf/Gharimin/Ibn Sabil* the categorisation of aid in fact tended to fall into three sectors: edu-

December 17, 2004).

[101] H.M. Soekanta AS, the Chairman of Bazis DKI, interview by the author, Jakarta, 27 October 2003 and 7 September 2005.

[102] The auditing started in 2003.

[103] Mostly lecturers of the State Islamic University Jakarta and Bandung.

cation, economy and socio-religious affairs. The percentage of economic and educational aid rose significantly from 1 per cent to 34 per cent, ranging from scholarships to micro-credit and productive business allowances.[104]

Another feature that shows the involvement of civil society in Bazis DKI is their *zakat* and *infak* collection records.

Table 5.3 Collection of *Zakat* and *Infak* of Bazis DKI Jakarta

First period (*1968-1981*)		*Middle period* (*1982-1996*)		*Last period* (*1997-2010*)	
Year	Total in *rupiah**	Year	Total in *rupiah**	Year	Total in *rupiah**
1968	–	1983	631,054,210	1997	10,967,480,548
1969	6,024,247	1984	599,062,175	1998	6,762,772,558
1970	9,303,423	1985	673,460,962	1999	8,122,693,568
1971	25,527,414	1986	795,894,130	2000	8,416,626,931
1972	73,312,001	1987	865,191,669	2001	9,482,194,546
1973	18,045,560	1988	884,881,989	2002	11,554,727,015
1974	151,101,699	1989	1,235,069,469	2003	14,103,504,330
1975	139,506,793	1990	1,838,764,007	2004	16,257,823,896
1976	138,638,977	1991	2,960,932,835	2005	18,482,757,570
1977	146,429,546	1992	3,250,004,661	2006	21,770,657,587
1978	195,868,117	1993	4,352,241,133	2007	27,113,302,126
1979	338,155,940	1994	6,759,484,973	2008	29,747,898,008
1980	405,084,081	1995	6,576,617,111	2009	44,223,884,194
1981	437,559,041	1996	8,944,357,930	2010	52,768,818,935
1982	543,727,260				

Source: Adapted from two sources: 1. Recapitulation of ZIS collection of Bazis DKI Jakarta 2008, issued by the courtesy of Drs. H. Abdul Muhit, MA, head of Collection Department of Bazis DKI Jakarta; 2. Recapitulation of ZIS collection from 2006 to 2010, issued by the courtesy of Kusairi, S.Ag, Public Relations Dept. of Bazis DKI Jakarta.
* The cents are omitted.

The above table shows that in general, the *zakat* and *infak* collections of Bazis DKI have increased, and this increase has varied between 2.06 and 188.45 per cent, depending on the economic and the political situation. A significant increase can be seen earlier in 1989-1991, presumably related

[104] Fauzia, "Bazis DKI Jakarta", pp. 44-5.

to the Islamic accommodation politics of the New Order. Other increases reflect a policy of "enforcement" and one of expansion. For example, in 1971 there was an increase of 174 per cent because it was the beginning of the collection of *zakat* payment from prospective *hajis* (*calon jamaah haji*). The Bazis DKI apportioned the payment of *zakat* on the assumption that the funds paid for *hajj* travel are substantial and therefore worthy of its *zakat*. Another possible assumption is that the prospective *hajis* are rich. Although these reasons were questioned and the payment of *zakat* for *hajjs* criticised, the payments continue today. *Zakat* from prospective *hajis* became a commodity that has been contested between the Jakarta Office of Religious Affairs and Bazis DKI. The 102.46 per cent increase in 1973 was also to do with Bazis beginning to collect *infak* and *sedekah*.

A decline in collection occurred in certain years, the most significant being in 1998. In this year, there was a decline of 38.34 per cent from 1997. This relates to the fall of the New Order regime, after which Muslims were strongly against any form of New Order practice, including the "enforced" *zakat* and *sedekah* payments. It should be emphasised that this fall in revenue was not because of the economic crisis, because community-based *zakat* agencies such as Dompet Dhuafa received almost double the *zakat* and *sedekah* payments of the previous year. Rather, the decline was a symbol of distrust of state-based *zakat* agencies, and this was a test of the performance of Bazis DKI.

However, Bazis DKI has so far survived in the *Reformasi* period, and there are three main reasons for this. First, it improved its performance in areas such as maintaining transparency and accountability.[105] Second, it has continued to get Muslim leaders and scholars involved in its structure—people who could provide a balance between the state and society's interests. Bazis DKI was the only BAZ to become an active member of the Zakat Forum, an association of Islamic philanthropic organisations formed by NGOs and LAZs,[106] and this forum has been critical of the government. The involvement of Bazis DKI in such a forum was a sign that its management was relatively open. Third, there has been a perception among Muslims that there is no harm in paying their *zakat* to a state-based body. In fact, some Muslim scholars are in favour of the collection of *zakat* by the state as the ideal practice of *zakat*.

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[105] Bazis DKI won two *Zakat* awards in 2003 for its creative programme and for an impressive income. The award was organized by the Forum Zakat, an association of *zakat* bodies.

[106] Detail on Zakat Forum is elaborated in Chapter 6.

Zakat discourse during 1984-1988 reflected the tendency towards state involvement in *zakat* management. A survey by *Tempo* magazine found that 79 per cent of Muslims agreed on the need for state "intervention" in *zakat* matters, and 49 per cent of them even thought that government should enforce *zakat* payment. However, the Minister of Religious Affairs, Munawir Syadzali, tried to evade that idea, by asking *'ulama* to resolve the issue of tax and *zakat* first. He also said that "even if the government would agree to manage *zakat*, that does not mean that it would be implemented by the Ministry of Religious Affairs."[107] At that time, in contrast to the *Reformasi* period, the government was reluctant to deal with the issue of "state *zakat*".

While Bazis DKI was engaged in political negotiations between Islam and state, a strong commitment to independence from the state can be seen in Muhammadiyah's *zakat* organisation, as outlined below.

Bapelurzam Muhammadiyah

Bapelurzam (Badan pelaksana urusan *zakat* Muhammadiyah) is the section that deals with *zakat* collection and disbursement under Muhammadiyah's Kendal District Office (*Pimpinan Daerah Muhammadiyah*),[108] which is located in Kendal Regency,[109] Central Java. Bapelurzam and many other *zakat* organisations within Muhammadiyah's offices are not regarded as LAZ (even though they could be), but as committees. The Muhammadiyah board created a national-level LAZ called Lazis Muhammadiyah to actively involve itself in the *zakat* movements in the *Reformasi* period.[110] It seems that it wanted to keep those *zakat* committees as they were, and to avoid any overlap with other charitable institutions and enterprises (*amal usaha*) that belong to the organisation. These *amal usaha* have become means for channelling the *sedekah, zakat,* and *waqf* of Muhammad-

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[107] *Tempo*, 21 May 1988.

[108] District offices are the middle-level structure of the Muhammadiyah organisation. Structurally, Muhammadiyah has a Central Board (*Pengurus Pusat* or PP) at national level in Yogyakarta and 33 provincial boards, 419 district boards located in regencies, 3,253 branches, and 12,710 sub-branches. This data is per May 2010 and is from Mr. Nurhadi Antoro of the documentation department of Central Board Muhammadiyah, Yogyakarta. Compared to 2005, (see *Profile Muhammadiyah*, 2005, viii), the increase of sub-branch offices of Muhammadiyah is very high. In 2005, it was 6,721. This increase probably refers to the separation and formation of new administrative areas.

[109] Kendal regency covers 1,002.23 km^2 located in the northern area of Java, and is inhabited by 899,211 people (2004).

[110] Lazis Muhammadiyah will be discussed further in Chapter 6.

iyah's members and patrons since the second decade of the twentieth century. In 2005, there were 7,488 registered *amal usaha* scattered all over Indonesia, 61 of which were in Kendal district.

Table 5.4 Muhammadiyah's Registered Charitable and Enterprise Institutions

Institutions	*Total number in Indonesia*	*Total Number in Kendal Regency*
Primary Schools	1,132	2
Islamic Primary Schools (Madrasah Ibtidaiyah)	1,768	24
Junior Secondary Schools (SMP)	1,184	12
Islamic Junior Secondary School (MTS)	534	2
High Schools (SMA)	511	5
Vocational Secondary Schools (SMK)	263	3
Islamic High Schools (MA)	172	1
Pesantren	67	0
Universities/Academies	165	2
Health institutions (hospitals, clinics)	345	3
Baitul Tamwil Muhammadiyah (BTM)	190	1
Banks (Bank Perkreditan Rakyat)	19	0
Economic Enterprise Co-operatives (Koperasi)	808	1
Social Institutions (orphanages, aged care)	330	5
Total	7,488	61

Source: Adapted and calculated from *Profil Muhammadiyah* 2005, pp. 570-600. This figure does not include kindergartens, play groups and Qur'anic schools.

The number of *amal usaha* increased significantly, so that in 2010 it became 11,666 in addition to 11,959 mosques and *mushalla*.[111] Muhammadiyah also owns 10,381 estates (*waqf* and non-*waqf*) in 1994, covering 29.8 million ha.[112] These assets represent the outcomes of Muhammadiyah's philanthropic

[111] Data Amal Usaha Muhammadiyah 2010, provided by Nurhadi Antoro, Documentation Section, Central Board of Muhammadiyah, 13 March 2011.

[112] Pimpinan Pusat Muhammadiyah Majlis Wakaf dan Kehartabendaan, *Buku Panduan Rapat Kerja Kerja Nasional Majelis Wakaf dan Kehartabendaan Tahun 1999* (Jakarta: Majelis Wakaf dan Kehartabendaan, 1999), p. 73. There are a few directories of *waqf* and non-*waqf* estates owned by Muhammadiyah from three different periods. However the figures are confusing and show inconsistent numbers, probably because reports from many districts are excluded.

efforts as a social movement, efforts that are guided by an ideology that finds expression in statements such as the slogan which is claimed to be from Ahmad Dahlan, namely "do not seek prosperity from the Muhammadiyah organisation, but support and provide for its life."[113]

The Birth of Bapelurzam

The birth of Bapelurzam was encouraged by the central Muhammadiyah board's decision to reposition the philanthropic movement, and more precisely, *zakat* and Baitul Mal, in 1979.[114] The chairman of Majelis Wakaf Muhammadiyah, Kasman Singodimejo, requested all Muhammadiyah's district offices to establish a *zakat* body called *Badan Pelaksana Urusan Zakat Muhammadiyah*, abbreviated as BPUZ. In response to the request, the chairman of Muhammadiyah in Kendal, K.H. Abdul Barie Sho'im,[115] established a *zakat* body which became known under its acronym Bapelurzam.[116] Perhaps this *zakat* movement of Muhammadiyah was re-motivated by the earlier establishment of provincial *zakat* bodies, such as the Bazis DKI Jakarta.

Besides being a response to the central board's instructions, the establishment of Bapelurzam was motivated by a concern about traditional practices of giving and utilising *zakat* in the area of Kendal, which had become ineffective and inefficient. Sho'im was concerned about the small number of people who were paying *zakat* (a problem that was not specific to Kendal). He assumed that the majority of Muslims did not properly understand the practice of *zakat*. Another concern was that people were paying their *zakat* to and through the *kyai*, who—according to Sho'im—then kept most of the payment for themselves.[117] This was the traditional practice of *zakat* payment, which had become a concern to Muhammadiyah activists since the second decade of the twentieth century. Sho'im was one of the activists who believed that such a practice was not correct, be-

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[113] Salam, 1968, p. 51.

[114] The programme of the Zakat Movement (Gerakan Zakat) and Charity Movement (Gerakan Amal).

[115] KH. Abdul Barie Sho'im was a teacher at Kendal. He graduated from both secular and religious schools (from Elementary to Senior High schools) including the Al-Munawwir Pesantren in Yogyakarta. He obtained his bachelor's degree from the state Islamic University of Yogyakarta.

[116] Abdul Sachur, interview by the author, Kendal, 15 September 2005.

[117] H. Muslim, interview by author, Weleri, 13-15 September 2005; and Sulis Mardiyono, interview by author, Weleri, 15 September 2005.

cause *zakat* should be disbursed to help the needy.[118] Through the BPUZ or Bapelurzam, Sho'im and other Muhammadiyah activists in Kendal put their efforts into changing the practice.

When many BPUZs in other districts declined and disappeared, Bapelurzam survived and became the leading *zakat* body within Muhammadiyah for the collection and disbursement of *zakat*. Three aspects contributed to its success: 1) *ijtihad* (making legal decisions that use interpretation and rationalisation) on the *fiqh* of *zakat*, 2) non-discriminatory principles of *zakat* disbursement, 3) the use of principles of transparency and accountability. These will be discussed in the following section.

Fiqh regarding Bapelurzam's Zakat

The *ijtihad* on the *fiqh* of *zakat* was proposed by Sho'im. It was agreed on by the Muhammadiyah leaders in Kendal and written down in a publication entitled *Zakat Kita, Zakat Terapan – Zakat yang Direalisasikan* (Our *Zakat*—Implementation of *Zakat*).[119] This *ijtihad* is essentially a step-by-step guideline providing an introduction to *zakat*, including its philosophy, regulations, calculation, collection, disbursement, and beneficiaries. In addition, it provides details on how to form a *zakat* committee (*amil*) within Muhammadiyah districts and sub districts and how to make a report, with complete examples.[120] Sho'im also created the slogan "*hayya ala zakat*" "come, let us do *zakat*", a play on words to one of the verses of the Muslim call to prayer "*hayya ala salat,*" as according to him *zakat* is an Islamic principle that should be treated with the same urgency as the five daily prayers. He stated clearly that *zakat* is different from government taxes and it is an obligation both to God and to other Muslims.[121]

Sho'im's *ijtihad* is not the same as the *zakat* guidelines of Muhammadiyah that are written in the *Kitab Zakat* issued by the Majlis Tarjih Muhammadiyah (Council of Islamic Law).[122] Interestingly, this *ijtihad* was not

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[118] Sachur, interview.

[119] Abdul Barie Sho'im, "Zakat Kita Zakat Terapan (Zakat yang direalisasikan)" (stencil, Pimpinan Daerah Muhammadiyah Kendal, 1980).

[120] The stencil has been copied and is still in use.

[121] Sho'im, *Zakat Kita.*

[122] Pimpinan Pusat Muhammadijah, *Kitab Zakat. Putusan Madjlis Tardjih dalam Mu'tamar Muhammadijah* 3rd ed. (Yogyakarta: Persatuan, 1950). The book provides general information on many kinds of property that are liable for *zakat.* The book is an orthodox discussion and approach which is typically found in many *fiqh* books in that period, which to some extent is reflective of Middle Eastern culture. The book gives no explanation relevant to the payment of *zakat* as practiced in the Indonesian context.

rejected by the Central Muhammadiyah leadership. It may be regarded as an effort that did not do any harm to Muhammadiyah's ideology, but in fact provided benefits for Muhammadiyah activities at grassroots level.

The interpretation on the *fiqh* of *zakat* of Muhammadiyah Kendal is different from Muhammadiyah's common interpretations and these differences have been outlined by Alawiyah.[123] The most significant difference is that Bapelurzam interprets *zakat* as *zakat* on wealth (*zakat amwal*), which counts all of one's property and money that has been held for one year (*haul*) without differentiation between the types of assets (such as animals, salary, agriculture, and trade).[124] According to Bapelurzam, splitting assets into different categories of *zakat mal* becomes a hindrance in giving *zakat* because it makes it more complex to understand. Take, for example, a person who has various occupations or livelihoods. If the calculation is based on *nisab* (a minimum quantity of property that must be owned before being liable for *zakat*) and *haul*, this person may not be obliged to pay *zakat* even though he or she has 39 goats and receives a considerable salary or profit from his or her other occupations. Bapelurzam, therefore, includes in its *zakat* calculations all salary and property in a year, minus any loans and expenses. If the calculation amounts to a positive figure, the person is a *muzakki* and should pay 2.5 per cent of this figure in *zakat*. If however the calculation is negative, the person becomes a *mustahiq* and can obtain *zakat* money.[125]

Sho'im and also Bapelurzam went beyond classical interpretations of the beneficiaries and disbursement of *zakat* money. According to the interpretation of Sho'im, which is implemented in Bapelurzam, *zakat* should be used 1) to help the poor and for poverty eradication, 2) to sponsor *da'wa* and forestall other sources of religion 'expansion' (which should be read as Christian Missionary activities), and 3) to support *ukhuwah Islamiyah*, or Islamic brotherhood.[126]

Another principle of Bapelurzam Kendal is that *zakat* should be paid to organisations of *amil*, and not given directly to the poor. Giving *zakat* to individuals is considered unlawful and cannot be regarded as *zakat*.[127] Through giving to organisations, *zakat* money can be widely distributed to the needy, and can eradicate poverty by improving the economic life of the

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123 Tuti Alawiyah Najib, "Bapelurzam Kendal: Gerakan Zakat Muhammadiyah", in *Revitalisasi Filantropi Islam*, pp. 154-5.

124 Sho'im, *Zakat Kita,* p. 5.

125 Sho'im, *Zakat Kita*, p. 5, 11.

126 Ibid., p. 4.

127 Ibid., p. 6.

recipients so that they can become economically strong and can become *zakat* givers in their turn.[128]

Bapelurzam's distribution of *zakat* money is focused on two Qur'anic categories: the poor (including the needy, those in debt, *fi riqab*—those in bondage, and *ibn sabil* or travellers) and those *fi sabilillah* or on the path of God (including *amilin* and *muallaf*).[129] Principally, Bapelurzam distributes the collected *zakat* money to the eight beneficiaries.[130] However, the money for the categories of *riqab* (usually translated in Indonesian as 'slave') and *muallaf* (translated as 'new converts') is often sent to the Baitul Mal that is under Bapelurzam Kendal, because there are no *mustahiq* in these categories. According to Sachur, people in jail and domestic workers can actually get *zakat* money, qualifying as *riqab*. But since there is a difference of opinion about this, Bapelurzam does not distribute that money but instead sends it to the Baitul Mal of Muhammadiyah in Kendal. At the Baitul Mal, the money is used as capital and saved for emergency needs such as in the case of disasters.

The second key to Bapelurzam's success is the principle of non-discrimination. The distribution of *zakat* money is based on need, and does not discriminate between groups, parties and organisations. The purpose of Bapelurzam concerning *zakat* is to promote awareness of the importance of *zakat*. Therefore, *zakat* money can be given to any person in need, including those outside the district of Kendal when the need arises. In this context, *zakat* functions to promote Islamic brotherhood (*ukhuwah Islamiyah*), more specifically between the followers of Muhammadiyah and Nahdlatul Ulama in villages.[131] Since a majority of the Muslims in Kendal are culturally Nahdlatul Ulama followers, almost 90 per cent of *zakat* money is given to Nahdlatul Ulama followers.[132] Conversely, Nahdlatul Ulama followers pay their *zakat* through Bapelurzam. Bapelurzam does not limit its distribution to Muslims only, but gives also to non-Muslims. Since *zakat* givers can propose *zakat* recipients to Bapelurzam, the distribution often goes beyond the Kendal area and includes non-Muslims.[133]

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128 Ibid.

129 Ibid. This categorization refers to the Qur'an, chapter 9 verse 60. See Chapter 1, p. 20.

130 Poor, the needy, *amil*, *muallaf*, those in bondage, those in debt, *fi Sabilillah*, and *ibn sabil*.

131 Sachur, interview.

132 Ibid; Muslim, interview, 2005; and Mardiyono, interview, 2006.

133 Ibid.

The next important key is the implementation of transparency and accountability. Bapelurzam continues Muhammadiyah's old tradition of publishing reports on the collection and distribution of *zakat*. Those reports contain lists of all *zakat* beneficiaries (*mustahiq*) and *zakat* givers (*muzakki*), indicating the amount of *zakat* they receive and give. By means of these reports, both *muzakki* and *mustahiq* can double-check the finances and activities of Bapelurzam. The reports are distributed to all present *muzakki,* future *muzakki*, and Muhammadiyah members. It seems as if there is no indication of a 'shame' factor to prevent this publication and I assume this is due to a communal feeling among rural folk, in which everyone knows one another's economic capacity. In fact, contrary to any notion of shame over poverty, someone would feel embarrassed if his or her name did not appear in the list. From Bapelurzam's side, Muslim states that transparency is much more important for education and gaining trust than the principle of maintaining the secrecy of one's contribution.[134] That is why non-Muhammadiyah members are willing to pay their *zakat* to Bapelurzam. Among them is a leader of Nahdlatul Ulama's women's wing, Muslimat, Hj Khalimatussakdiyah, who thinks that giving *zakat* to a trusted organisation, be it Nahdlatul Ulama or Muhammadiyah, is important. She believes that Bapelurzam is trusted, transparent, and has a good distribution system,[135] and this endorsement and support of Khalimatussakdiyah to Bapelurzam may be not only because of the trust, but also because most of the recipients of Bapelurzam's *zakat* are Nahdlatul Ulama members.

On the basis of such trust, the performance of Bapelurzam is improving in terms of an increase in its number of *muzakki* and the amount of collected *zakat.* Most contributions and *muzakki* come from Weleri, one of 19 sub-districts (*kecamatan*) in Kendal, which has become the central point for *zakat* activities in Kendal regency, and which is also central to Muhammadiyah's activities at Kendal.[136] The work of Bapelurzam in Kendal is concentrated in Weleri sub-district, which provides between 30 and 90 per cent of the collection. In fact, in the early years of Bapelurzam, almost all of its *zakat* collection came from Weleri. Below is an indication of the

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134 Ibid.

135 Hj. Khalimatussakdiyah, chief of Muslimat NU, interview by author, Weleri, 12 September 2006. She is a leading grassroots figure in Weleri and is also chief of RW—the local household association, and Al-Hidayah religious study groups (pengajian), among others.

136 Many of the leaders of Muhammadiyah in Kendal, including Abdul Barie Sho'im and H. Muslim are residents of the trading city of Weleri.

increase in *zakat* money and the number of *muzakki* of Bapelurzam in this city.

Table 5.5 *Zakat* Collection in the Bapelurzam Sub-district of Weleri 1979–2010

Year	*Total Zakat (Rp)*	*Total Muzakki*	*Year*	*Total Zakat (Rp)*	*Total Muzakki*
1979	415,000	65	1995	37,775,000	467
1980	1,456,100	94	1996	40,320,325	483
1981	1,837,200	105	1997	46,268,425	520
1982	1,597,500	103	1998	51,775,200	551
1983	2,115,120	115	1999	92,750,000	587
1984	2,612,750	115	2000	122,763,000	633
1985	2,391,500	104	2001	170,400,000	774
1986	3,567,400	114	2002	194,320,000	864
1987	4,347,555	147	2003	220,822,000	914
1988	7,225,960	181	2004	247,000,000	1,078
1989	12,500,000	332	2005	278,950,000	1,083
1990	18,554,100	495	2006	348,500,000	1,073
1991	22,625,760	590	2007	394,400,000	1,162
1992	28,000,000	716	2008	498,800,000	1,192
1993	31,435,175	754	2009	591,993,367	1,348
1994	30,871,600	421	2010	706,700,000	1,483

Sources: 1. Bapelurzam Weleri, "Laporan Zakat Tahun 1426 H," (Report, Bapelurzam Kecamatan Weleri, 2006); 2. Interview with Sulis Mardiyono, 13 March 2011.

Zakat collection from other sub-districts in Kendal became stronger after 1996. Below is a list of the total collections of *zakat* by Bapelurzam in Kendal (from 19 sub-districts).

From the tables above and below, it is evident that the increase in the amount of collected *zakat* was high between 1996 and 2006, namely between 3 per cent and 45 per cent per year. It can also be seen that the economic crisis of 1998-1999 did not have a negative impact on the economy of farmers and small traders in Weleri and in Kendal generally. In fact, there was a big increase in the amount of *zakat* and the number of *muzakki* during that time. This is probably because Kendal area is based mostly on small agrarian businesses.

Table 5.6 *Zakat* Collection by Bapelurzam in Kendal 1996-2010

Year	*Total Zakat* (*Rp*)	*Total Muzakki*
1995	54,140,025	547
1996	92,301,253	1,551
1997	129,497,375	1,590
1998	235,898,045	2,415
1999	346,780,900	2,553
2000	471,307,465	3,060
2001	492,185,400	3,096
2002	524,026,775	3,129
2003	540,011,800	3,539
2004	702,988,659	3,463
2005	785,277,550	3,340
2006	996,803,350	4,079
2007	1,205,474,378	4,582
2008	1,360,270,775	4,862
2009	1,703,248,617	4,994
2010	2,008,714,550	5,243

Sources: 1. Bapelurzam Daerah Kendal, "Laporan Zakat Tahun 1426 H" (Report, Bapelurzam Daerah Kendal, 2006); 2. Interview with Sulis Mardiyono, 13 March 2011.

Bottom-up Collection

Two more factors that contributed to the sustainability of Bapelurzam Muhammadiyah compared to other philanthropic organisations are the enthusiastic support from its activists and followers, and also the orderliness and efficiency of its organisation. Bapelurzam consists of a multi-level *zakat* committee representing villages, sub-districts (*kecamatan*) and districts. *Zakat* collectors collect *zakat* in their own village from their neighbours. A *muzakki* will then obtain a form on which he or she can propose the names of *mustahiq* (the ones who will receive *zakat*) without limitation of organisation, party or even religion.[137] Proposing the names of *mustahiq* is an efficient strategy to meet the wishes of *muzakki*s, because most *muzakki* have in the past given their *zakat* to certain poor individuals

[137] Muslim, interview; Shoim, *Zakat Kita*.

and they still want to make sure that these same people continue receive the *zakat* money.[138]

Later, the Bapelurzam collects all the proposed names of *mustahiq* to determine their eligibility to receive *zakat* in order to ensure its fair distribution. It then sends 2 per cent of *zakat* money to the Central Office of Muhammadiyah, 3 per cent to the Provincial Office, and 10 per cent to the District office. Of the remaining 85 per cent, approximately 50 per cent is distributed amongst the poor in the form of scholarships, consumable goods and capital, and the other half is spent on the category of *fi sabilillah* (10 per cent for *amilin* operations, and the rest for consumables and teacher scholarships). The percentage of distribution can differ from year to year according to need.[139] This z*akat* money is also spent outside Kendal, for instance in Ambon for the victims of the religious conflict on that island.[140]

Conclusion

This chapter has demonstrated that the social and political situation after Indonesia's independence had a significant influence on the activities and organisations of Islamic philanthropy. The national survey of philanthropic organisations carried out by UIN Jakarta supports this conclusion, showing that 5.7 per cent of the organisations were established before 1945 (before independence), 6.5 per cent between 1946 and 1965 (Old Order), 33.3 per cent between 1966 and 1988 (first half of New Order), 20.4 per cent between 1989 and 1997 (second half of New Order), and 34.1 per cent between 1998 and 2003 (*Reformasi*).[141]

These figures show that the highest percentage of philanthropic organisations were established in the first five years of the *Reformasi* period (post 1999), when social and political developments were more conducive to the maintenance of a civil society. The growth in the first half of the New Order era was because of the establishment of state-based philanthropic organisations, whereas the second half of this era represents the New Order's accommodative period vis-à-vis Islam. The era, post-independence,

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[138] Muslim, interview; Mardiyono, interview.

[139] For example, Bapelurzam Kendal in 2006 received *zakat* funds of total Rp. 785,277,550 from 3,340 *muzakki* in 19 sub-districts. Each sub-district sent between 6 and 15 per cent (total Rp. 98,226,650) to the district of Bapelurzam, Provincial board and Central board of Muhammadiyah, and disbursed the amount of Rp. 620,230,350 to beneficiaries in each local sub-district of Bapelurzam.

[140] Muslim, interview and Mardiyono, interview.

[141] Appendix 4, table 23.

is one in which the state has started to engage in Islamic philanthropic practices and has become more powerful in competition with non-state philanthropic organisations.

Throughout the Old and New Order periods, the discourse on Islamic philanthropy, and in particular *zakat*, was advanced by Modernist Muslims. This discourse was, however, divided into two different approaches. The first was the Dakwahists, namely Muhammadiyah, who kept philanthropy as a non-state matter. The second was the Islamists, which tended to facilitate the state institutionalisation of philanthropy and had state management of *zakat* as their ideal. Traditionalist Muslim leaders also tend to be Dakwahists, who kept traditional practices of philanthropy from the state's interference.

Even though the number of state-based *zakat* agencies increased from 1968 to 1984 and grew fast in *Reformasi* period, these agencies did not have grassroots support. In general, they merely functioned as agencies with the authority to deduct *zakat* and "enforced" *sedekah* from salaries of civil servants and state owned companies. The state-based philanthropic agencies could not break the traditional payment of *zakat*, which was communal and given in a patron-client tradition by the people to local religious leaders and the poor. The imposition of *zakat* has given rise to resistance because *zakat*, *sedekah*, and *waqf* have supported civic activities and created civil society and the hidden resistance against state-based philanthropic agencies became open resistance in the *Reformasi* period, when civil society organisations were increased in strength.

One further consideration is that these state-based and community-based *zakat* agencies mostly work to collect *zakat*, not *fitrah*. *Fitrah* is regarded as a communal contribution which should be paid and distributed within a short time period and in the form of rice (or as cash). All over the country, *fitrah* is collected by committees at mosques, and by neighbourhood organisations, and religious organisations, including at schools and offices, and is then distributed mostly to those in need who live in the direct surroundings.[142] These *fitrah* contributions are usually recorded by the staff of Sub-district Religious Office (Kantor Urusan Agama – KUA) in sub-districts.[143] *Fitrah* contribution runs along the traditional understanding

[142] Public Survey of UIN in 2004 found that 98.5 per cent Muslim households paid *fitrah* (Appendix 4, table 1). About 44.8 per cent gave directly to the beneficiaries, about 51.3 per cent gave through *fitrah* committees, and only 4.1 per cent gave to philanthropic organisations (Appendix, table 3).

[143] Drs. Nasib Abbas, chief of KUA sub-district Banyumas, District Banyumas, Regency Cilacap (Central Java), interview by the author, 12 September 2005; Drs Risani, KUA Talang Kelapa, Banyuasin (South Sumatra), email messages, 25 and 27 February 2008.

that it is a kind of poll tax, and *fitrah* is paid by almost all Muslim households. There are probably no significant fluctuations in the amount of *fitrah* contributions even during the economic crisis because *fitrah* payment is related to the annual household income. According to a religious official who dealt with *zakat* and *fitrah*, the increase in *fitrah* payment is related to population growth.[144]

Philanthropic organisations have grown strongly from urban communities, alongside the rising Islamic identity and a demand for the implementation of Islamic sharia. The movement has provided empowerment for the increase in civil society activities, but at the same time provided a growing voice for the demand for state involvement in Islamic philanthropy. I will discuss this phenomenon in Chapter 6, in the light of the rapidly growing number of Islamic charitable organisations in the period of *Reformasi*.

[144] Risani, ibid.

CHAPTER SIX

THE POST-NEW ORDER PHILANTHROPY MOVEMENT: QUO VADIS

The fall of the New Order regime through the *Reformasi* (reform) movement in 1998 set off a new period in Indonesian history—a period that saw the rapid growth of Islamic philanthropic organisations, as well as legislation regarding Islamic philanthropy. It also saw the development of two conflicting efforts or movements with regard to Islamic philanthropy.

The first was a movement which aimed to develop, modernise and professionalise philanthropic practices, as part of a vision to 'Islamise' society. Unlike the trend of the previous period, when Modernist Muslims dominated the development of Islamic philanthropy, in the *Reformasi* period Revivalist Muslims dominated the discourse on this subject. While Modernists, and in particular Muhammadiyah, continued to occupy a position in the centre, maintaining collaboration with state bodies but keeping philanthropic activities independent from state interference, Revivalists—like the Prosperous Justice Party—inclined to follow an Islamist approach which aimed to Islamise the state as well. On the one hand, this Revivalist movement sought freedom and empowerment for community-based Islamic philanthropic organisations, but on the other hand it also sought active state involvement, especially in managing *zakat*—something that could threaten the existence of philanthropic organisations that belong to civil society.

The second was the movement that opposed active state involvement in Islamic philanthropy. This opposition was in some instances expressed clearly, but in general it was (in James Scott's words) "hidden resistance", especially from Traditionalist Muslims.[1] This resistance was not specifically related to *zakat* and philanthropic practices, but rather to modernisation and active state involvement in general.

The existence of these two conflicting movements is evidence of the vibrancy of philanthropic activities of civil society under the weak *Reformasi* governments andthis chapter argues that the first movement to reform Islamic philanthropy does not yet have a strong footing in the

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[1] James C. Scott, *Resistance without Protest: Peasant Opposition to the zakat in Malaysia and to the tithe in France* (Townsville, Qld: Asian Studies Association of Australia, 1986).

majority Muslim community, due to its support for institutionalising Islamic philanthropy under the state. A survey of Islamic philanthropy in 2003/4 showed that the majority of Muslims were still practising *zakat*, *fitrah*, *waqf*, and *sedekah* in "traditional" forms, thus silently resisting the modernisation and bureaucratisation of philanthropy.

In this chapter the discussion is limited to the reform of *zakat*, because, compared to *waqf*,[2] the attempt to reform *zakat* has been strongly attached to Muslim identity and has therefore attracted more attention in society. The chapter is organised into four main sections, with the first section providing a context for the revival of the philanthropy movement during the *Reformasi* period. It will show the internal and external challenges that encouraged the reform of philanthropy. The second section discusses the *zakat* legislation and its impact on the rapid growth of Islamic philanthropic organisations. It shows the success of civil society in forcing the state to give a legal basis to community-based Islamic philanthropic organisations (Lembaga Amil Zakat or LAZs), besides state-based Islamic philanthropic agencies (Badan Amil Zakat or BAZs).[3] The next section discusses aspects of Islamic philanthropic reform, and *zakat* in particular, with reference to Dompet Dhuafa (Purse of the Poor), a leading civil society Islamic philanthropic organisation in Indonesia. This section shows that the *zakat* movement has been supported by reformist Muslims, some of whom are Islamists. The fourth section will highlight the challenge (if not opposition) to reform, showing that this reform has not received a "warm welcome" from the majority of Muslims, particularly from Traditionalist Islamic leaders.

Internal and External Background to Islamic Philanthropic Reform

The fall of the New Order regime on 21 May 1998 marked the transition to the *Reformasi* period in Indonesian history,[4] *Reformasi* becoming the sig-

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[2] For a recent survey on *waqf* in Indonesia, see Tuti A. Najib and Ridwan al-Makassary eds., *Wakaf Tuhan dan Agenda Kemanusiaan Studi tentang Wakaf dalam Perspektif Keadilan Social di Indonesia* (Jakarta: CSRC, 2006).

[3] Although the names of BAZ and LAZ are specifically related to *zakat* donation, they both also collect other kinds of charitable forms, including *sedekah* and *waqf*.

[4] For details of the social and political situation, see M.C. Ricklefs, *A History of Modern Indonesia Since c. 1200,* fourth ed.(Palgrave MacMillan, 2008), Chapter 6, pp. 382-403. On Islam at the end of the New Order era and the beginning of the Reformation era, see Robert Hefner, *Civil Islam: Muslims and Democratisation in Indonesia* (Princeton: Princeton University Press, 2000), Donald J. Porter, *Managing politics and Islam in Indonesia* (New York:

nificant factor behind the expansion of reformist Muslims, especially Modernists and Revivalists, to reform *zakat* practice and management. This movement for reform and *zakat* legislation was extremely strong between 1999 and 2004,[5] but then gradually became less intense, with the moderation of the spirit of *reformasi* and political stability from 2004 onwards, after the first direct presidential election.

This era saw a rapid growth in Islamic philanthropy and its institutionalisation and this section will show that the background to the reform is related to socio-political challenges, both internal and external. These challenges have inspired Muslims to maximise the modernisation of Islamic philanthropy as a way to Islamise society.

The importance of Islamic philanthropy after the fall of the New Order was triggered by internal causes in the country, as well as by the global Islamic movement. The latter cause had an indirect impact on intensifying notions of Muslim identity, especially those of Modernists and Revivalists, and concern about the situation of Muslims in places such as Afghanistan, Palestine, and Iraq led to the creation of several committees for political and humanitarian action. There were, for example, the Indonesian Committee for Afghan Solidarity (KISA), created in 2001 in reaction to the United States' invasion of Afghanistan; the Indonesian committee for Solidarity with the Iraqi People (KISRA), created in 2003 in reaction to the US invasion of Iraq; and the National Committee for the Palestinian People (KNRP), created in 2006 as a response to the US embargo on Palestine.

These committees organised not only demonstrations and political actions but also donations. The last committee mentioned donated an ambulance,[6] food supplies[7] and cash[8] and provided a medical

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Routledge Curzon, 2002), Robert Hefner ed, *Remaking Muslim Politics: Pluralism, Contestation, Democratisation* (Princeton: Princeton University Press, 2002).

[5] In this five year period, Indonesia has had four presidents (B.J. Habibie, KH. Abdurrahman Wahid, Megawati Soekarnoputri, and Soesilo Bambang Yudhoyono).

[6] The ambulance was donated through the Humanitarian Relief for Development Society (HRDS), see FPKS DPR RI, "KNRP Serahkan Sumbangan Ambulan untuk Kamp Pengungsi Palestina," <http://fpks-dpr.or.id/new/main.php?op=isi&id=2081> (accessed 26 April 2008).

[7] FPKS-DPR RI, "KNRP Siapkan 45.000 Paket Bantuan untuk Pengungsi Palestina," <http://fpks-dpr.or.id/new/main.php?op=isi&id=2077> (accessed April 26, 2008).

[8] The fundraising was able to raise about 2.5 billion rupiah (USD 278,000). About USD 90,000 was given to the Palestinian Prime Minister when he visited Indonesia. See Press Release, Majelis Permusyawaratan Rakyat RI [Parliament of Indonesia], "Embargo tidak Sesuai dengan Prinsip Kemerdekaan dan Kedaulatan," [embargo is inappropriate with the principles of freedom and sovereignty] <http://www.mpr.go.id/index.php?section=siaran_pers&id=324> (accessed 26 April 2008).

team[9] for Palestinian refugees in 2006. Many Islamic philanthropic organisations, such as Pos Keadilan Peduli Ummat (Justice [Party] centre for the care of the [Islamic] community– PKPU), Dompet Dhuafa, and Dompet Peduli Umat (Purse for Caring for Society – DPU) of Daarut Tauhid,[10] supported the committee with fundraising.[11]

In addition to these committees, the Islamic resurgence movement has provided a basis for the establishment of Islamic humanitarian organisations, which differentiate themselves from *zakat* organisation. One example is the Indonesian Red Crescent Society or Bulan Sabit Merah Indonesia (BSMI). Just as in 1918, when the Sarekat Islam created Al-Hilal al-Ahmar Netherlands Indies, a similar organisation was created in May 2002.[12] Both the colonial and *Reformasi* period Red Crescent societies were non-government organisations that worked separately from the Netherlands-Indies or Indonesian Red Cross Society, and focussed on Muslim causes.[13] Jonathan Bentall has noted that the establishment of the Red Crescent Societies in many parts of the Islamic world has been mostly carried out by what he calls "Islamists."[14] BSMI is supported by Modernists and Revivalists Muslims, some of whom lean towards being Islamists and the founding of BSMI was probably influenced by the existence of Red Crescent Societies in other Islamic countries, including Malaysia.[15]

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[9] The medical team consisted of five specialist doctors from the Indonesian Red Crescent Society (Bulan Sabit Merah Indonesia-BSMI), who worked in several hospitals for two weeks. FPKS-DPR RI, "Dokter BSMI Mulai Berpraktek di Kamp Pengungsi Palestina,"<http://fpks-dpr.or.id/new/main.php?op=isi&id=2079> (accessed 26 April 2008).

[10] These three organisations will be explained later.

[11] Partai Keadilan Sejahtera DKI Jakarta, "Palestina: Simpati dan Dukungan Mengalir Deras,"<http://www.pks-jakarta.or.id/modules.php?op=modload&name=News&file=article&sid=402> (accessed 26 April 2008).

[12] The BSMI was established in 8 June 2002 in Jakarta in response to poverty, disasters and wars, called "humanitarian crises," occurring in several Muslim-majority countries. Its founders and activists were mostly medical doctors, and therefore it is not surprising that its programmes focus on emergency relief and health. See its website <http://bsmipusat.net/bsmi.html>.

[13] Even though the BSMI accepts the principles of the International Red Crescent Society (which are also the principles of the Red Cross Society), its programmes are mainly aimed towards Muslim recipients.

[14] There are a few exceptions. One of these is in Jordan, where Islamists established the Green Crescent Society in differentiation from the Jordan Red Crescent Society, which was regarded as secular. Jonathan Benthall, "The Red Cross and Red Crescent Movement and Islamic Societies, with Special Reference to Jordan," *British Journal of Middle Eastern Studies*, vol 24 no 2 (1997), pp. 157-77.

[15] Malaysia changed its Red Cross Society (which was inherited from the British) to Red Crescent in 1975. Bulan Sabit Merah Malaysia – Malaysian Red Crescent, <http://redcrescent.org.my/drupal/node/4> (accessed 13 March 2011).

Internal challenges to the reform have been triggered by four important causes,[16] namely the *Reformasi* movement, the economic crisis, ethnic and religious conflicts, and the tsunami disaster. These causes encouraged the Modernists and Revivalists to create philanthropic organisations in order to modernise the traditional practice of *zakat* and to institutionalise *zakat* under the state.

The spirit of *reformasi*—the first cause—has been a great endorsement behind the reform movement of Islamic philanthropy. Modernist and Revivalist Muslim activists and scholars have successfully forced the government to enact laws on Islamic philanthropy at the national level, not just minor and specific regulations such as were put in place during the New Order period. The Zakat Management Law no 38/1999 was issued in a rush, for fear that the rapid political change after President Habibie finished his term of office would not favour the legislation. A more detailed discussion on legislation will follow in sub-section two.

The second cause triggering the revival of Islamic philanthropy was the economic crisis.[17] Communities and social organisations shared concerns about famine, school drop-outs, and many other social problems caused by the crisis. Due to a dramatic increase in poverty, more philanthropic organisations intensified their work[18] and new organisations were created. It can be said that the crisis encouraged Modernists such as Muhammadiyah and Revivalist Muslims such as the Prosperous Justice Party to revitalise philanthropic activities from a traditional pattern to a modern one.[19] The idea that philanthropic resources—especially *zakat*—could be used for the eradication of poverty and could save the country from the crisis may look like an ambitious dream, but it was shared by many scholars, activists of Islamic philanthropic organizations and members of parlia-

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[16] The causes are discussed according to their importance in the discourse of philanthropy.

[17] The crisis hit the country severely with rising prices for food and other main necessities. The conversion rate of the Rupiah to the US dollar dropped more than 600 per cent. For more on the crisis, see K. S Jomo, ed., *After the storm: Crisis, recovery and sustaining development in four Asian economies* (Singapore: Singapore University Press, 2004).

[18] One example is the Dompet Dhuafa organisation. It was booming due to its success in response to the economic crisis. The number of people who sought assistance from its office increased dramatically. Online interview with Noor Aflah, an Executive Secretary of the Zakat Forum, 24 March 2008. Aflah worked for Dompet Dhuafa during the crisis period.

[19] The 2004 Islamic philanthropy survey also found that most respondents (75 per cent) agreed that the majority of people give in the time of economic crisis. See appendix 4.

ment, and also the government.[20] This notion is also mentioned in article 5 of the Zakat Management Law.[21]

The economic crisis has broadened social responsibility, which is now not only shared at national level but also at grassroots level thanks to the creation of various charities offering assistance during the crisis. Modernist and Revivalist Muslims responded by establishing philanthropic organisations. Among them were the PKPU,[22] established on 17 September 1998, House of Zakat (Rumah Zakat –RZ),[23] on 2 July 1998, and the DPU of Daarut Tauhid, on 16 June 1999.[24]

Apart from concerns about poverty, many Islamic philanthropic organisations were established out of concern for victims of ethnic and religious conflicts,[25] such as in Ambon and Poso. The conflicts have raised tensions between Muslims and non-Muslims and, worse, they have caused human casualties, the destruction of houses and buildings, and the problem of refugees. When Islamic radical groups responded by creating civil militias to go on a *jihad* in those conflict areas, Revivalist Muslims responded by creating funds and humanitarian missions to help the victims. Among the philanthropic organisations that were established out of this

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[20] Nur Ichwan, "Official Reform of Islam, State Islam and the Ministry of Religious Affairs in Contemporary Indonesia, 1966-2004" (Ph.D. dissertation, University of Tilburg, 2006), pp. 319-20.

[21] The second consideration of the Zakat Management Law no 38/1999 is that "fulfilment of *zakat* is an obligation for Indonesian Muslims who are capable, and *zakat* revenue is a potential resource to actualise social welfare." Article 5 states that "*zakat* management aims to (1) improve public service to society for those who pay *zakat* according to religious guidance; (2) improve the function and role of religious institutions in actualising social welfare and social justice; (3) increase the benefits and capacity of *zakat*."

[22] PKPU was previously a social section established within the Justice Party (Partai Keadilan; now Partai Keadilan Sejahtera-Prosperous Justice Party). Activists in this section gave humanitarian assistance in Ambon during the conflict in 1998. In 1999 the section became independent. Sahabuddin, director of the PKPU, interview by the author, Jakarta, 15 August 2006. For the website of the organisation, see <http://www.pkpu.or.id/main>.

[23] RZ was established as the social section of a religious gathering, Ummul Qura, and named after Dompet Sosial Ummul Quro (Social Purse of Ummul Quro). The name was changed to Rumah Zakat Indonesia on 18 March 2003, and in 2010 it changed again to be Rumah Zakat. The website of the organisation is <http://rumahzakat.org/>. The history of Rumah Zakat is published here: <http://www.rumahzakat.org/profilnya.php?id=20091126 0001&cat=2> (accessed 13 March 2011).

[24] DPU was established by a famous *da'i* and entrepreneur, KH. Abdullah Gymnastiar, as part of his Daarut Tauhid Foundation. DPU's website is at <http://www.dpu-online.com/>

[25] On ethnic and religious violence, see John T. Sidel, *Riots, pogroms, jihad: religious violence in Indonesia* (London: Cornell University Press, 2006), Noorhaidi Hasan, *Laskar Jihad: Islam, militancy, and the quest for identity in post-New Order Indonesia* (Ithaca: Cornell University, 2006).

concern are PKPU[26] and RZ.[27] Both were dominated by Revivalist Muslims, most of whom were members of *da'wa* groups.

The last cause was the tsunami disaster that struck Aceh and Nias on 26 December 2004.[28] Although natural disasters and economic crises have some similar consequences in terms of generating poverty, the tsunami disaster was unique on account of its scale. For the tsunami disaster, Islamic organisations were challenged to perform in a professional manner, which included cooperating with religiously neutral and non-Muslim philanthropic agencies.[29]

The destruction and suffering caused by the tsunami resulted in massive philanthropic resources and relief activities coming to Aceh, not only from abroad but also from other parts of Indonesia. The disaster mobilised all societal elements in Indonesia to work for the cause. Within a month, the Kehati foundation reported that at least USD 52 million (Rp. 480 billion) had been raised from the Indonesian community, excluding in-kind donations and the help of about 7,000 Indonesian volunteers.[30] Compared to non-governmental donations from other countries, this may not seem impressive. However, considering the economic state of Indonesia, the figure was extraordinary.

Aid from non-Muslim donors not only came in through government agencies, such as the Agency of the Rehabilitation and Reconstruction for the Region and Community of Aceh and Nias (Badan Rehabilitasi dan Rekonstruksi Aceh dan Nias –BRR), but also through non-government organisations, including Islamic philanthropic organisations such as Muslim

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[26] See footnote 23.

[27] Rumah Zakat's history published online prior to 2010 mentioned that its establishment is encouraged among others by concerns to help social religious conflicts, such as in Ambon. After 2010, under its new brand, its published history focuses more on the managerial and financial performances. It only mentions that the establishment was concerned with humanitarian help. See: <http://www.rumahzakat.org/profilnya.php?id=20091126 0001&cat=2> (accessed 13 March 2011).

[28] An earthquake of 8.9 on the Richter scale close to Aceh in the Indian Ocean caused a tidal wave sweeping coastal areas of Aceh, Nias, Southern Thailand and Sri Lanka. In Aceh it caused massive destruction and a death toll of 170,000.

[29] In the early days of the tsunami aid activities, some Acehnese victims expressed their concern about, if not rejection of, non-Muslim aid. In fact, the first major assistance was given by the Australian navy harboured nearby. However, this concern later disappeared as the assistance was badly needed.

[30] This initial study was conducted by the Kehati foundation supported by the Ford Foundation. It surveyed 14 newspapers, 10 TV stations, 4 radio stations and 2 other media from 27 December 2004 to 31 January 2005. Kehati, "$52 million raised locally in Indonesia for Aceh and North Sumatra, initial study shows," in *APPC Post*, [Asia Pacific Philanthropy Consortium], Electronic News Bulletin, Issue 21, March-April 2005, p. 2.

Aid Organisations such as Dompet Dhuafa and PKPU quickly engaged in this charitable wave, extending their programmes to humanitarian activities. In addition to concern about the impact of the disaster, the fundraising effort was also influenced by Islamic sentiment,[31] because Aceh is seen as one of the areas representing Islam par excellence.

Their involvement in post-tsunami assistance drove Islamic philanthropic organisations towards the issue of universal humanitarian assistance, including collaboration with non-Muslim organisations. They were publicly forced to perform in a professional manner. In addition, the post-tsunami effort increased the value of voluntarism as an important part of Islamic philanthropic activities.[32] Some Islamic philanthropic organisations dealt successfully with those issues. One example is the PKPU, which declared itself a "national humanitarian foundation," in addition to its status as a *zakat* collector organisation.

The above circumstances revitalised the *zakat* movement in the period of *Reformasi*, specifically by encouraging the establishment of more state and non-state *zakat* organisations.

Legislation and Organisations of Islamic Philanthropy

The *reformasi* spirit brought about the issuing of the Zakat Management Law (*Undang-Undang Pengelolaan Zakat*– UUPZ) no 38 1999. The Waqf Law (*Undang-Undang Wakaf*) no 41 2004 followed this success. This section will show how the Zakat Management Law provides a strong basis for the activities of civil society and has also encouraged more state involvement in *zakat* activities.

Zakat *Management Law*

The Zakat Management Law should be seen as a success of Modernist and Revivalist Muslims in enforcing their demand for Islamising society because their demand for the law has been voiced since the 1950s.[33] The law

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[31] Apart from showing gratitude to western donors, certain national media and discussion groups were critical about the lack of concern of some Islamic countries regarding tsunami relief.

[32] Voluntarism is strongly imbedded in the culture of philanthropy in Indonesia. However, its importance is somewhat under-valued. It was seen as ordinary tradition of which people took for granted.

[33] MORA had already proposed the *zakat* law in 1968, but failed. Moch. Nur Ichwan, "Official Reform of Islam." Cf. Arskal Salim, *Challenging the Secular State: The Islamization*

does not deal only with *zakat* but also with many other philanthropic forms, such as non-religious donations, and *waqf*. However, it was prepared in a rush during Habibie's term of office, not only because of the reform spirit but also out of fears that the political climate after Habibie would not be in favour of its enactment.[34]

The law provides three significant legacies. First, it became the basis for the legalisation and establishment of many LAZs (see next sub-section). Second, it endorsed the modern interpretation of *zakat* management (see section 3). Third, the law also became a basis for wider state involvement (or bureaucratisation) in Islamic philanthropic activities, as elaborated in the following paragraphs.

The Ministry of Religious Affairs (Kementrian Agama – MORA) played an important role in the institutionalisation of *zakat* activities. MORA issued Ministerial Decree No 581 (1999) and later Ministerial Decree no 373 (2003) on the implementation of the Zakat Management Law to replace the decree no 581. The replacement was also forced by Islamic philanthropy activists, especially the Zakat Forum (Forum Zakat –FOZ). Following these regulations, MORA established the Directorate of Zakat.[35] It also promoted *zakat* management and activities through its offices throughout the country. However, the bureaucratisation has not been effective and MORA itself has a reputation for inefficiency and corruption.[36]

In addition to national-level legislation, the Zakat Management Law has been endorsed by local governments through regional regulation (*peraturan daerah*), some of which have a strongly conservative tendency from Islamic *shari'a*, prescribing for instance the wearing of Islamic clothing, punishments against adultery, and caning.[37] These regulations are controversial because , with the exception of Aceh province, the issue of religion is not part of the decentralisation policy decided by local government. However, no strict measurements have been taken by the central government because religion is a sensitive issue and these regulations were supported by the regional legislative assemblies (Dewan Perwakilan Rakyat Daerah – DPRD).

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of Law in Modern Indonesia (University of Hawaii Press, Nov 2008).

[34] Ibid.

[35] For a detailed elaboration on this bureaucratisation, see Nur Ichwan, *Official Reform of Islam*.

[36] Minister Said Aqil Al-Munawwar (in office 2001-2004) was jailed for corruption.

[37] On the Islamic-influenced regional regulations, see Sukron Kamil, et al, *Syariah Islam dan HAM: Dampak Perda Syariah terhadap Kebebasan Sipil, Hak-hak Perempuan, dan Non-Muslim* [Islamic shari'a and human rights: impacts of Perda Shari'a on the civil freedom, women rights and non-Muslims] (Jakarta: CSRC, 2007).

Among these *shari'a* regulations are those on *zakat* management, called Perda Zakat (*peraturan daerah tentang zakat*). By May 2008, there were 25 local governments (province and district level) which had enacted the regulation. South Sulawesi, West Java, and South Sumatra were among the provinces where *zakat* regulations were enacted most often at the district level.[38]

The Perda Zakat is a kind of regional implementation of the Zakat Management Law which aims to support the law in a province or district. Most Perdas only follow the spirit and substance of the Zakat Management Law, therefore, it is generally regarded as not against the national law and not the same as other regulations that have a strong *shari'a* nuance.[39]

The endorsement of the Perda Zakat was primarily related to Islamic and political motives. One Perda Zakat which is strongly motivated by Islamisation is the Qanun Zakat in Aceh province. Here, the enactment is in the same spirit as other *qanuns* (local regulations) reviving a more conservative form of Islam. These *qanuns* idealise the formal implementation of the *shari'a*. In most other regions, the Perda Zakat is only a repetition of the Zakat Management Law coloured by local circumstances.

There are indications that the Perda Zakat is being used to gain votes due to the system of regional elections since *zakat* is a popular, "vote-buying" issue in gaining support for local Islamic leaders. This can be seen in Bulukumba district in South Sulawesi. Supporters of the Perda Zakat were the supposedly secular ruling party in that district, namely the Golongan Karya (Golkar) and research by the Asia Foundation (Indonesia) on Perda *shari'a* found that local politics, especially local elections, were among the strong motives behind the issuance of Perda *shari'a*.[40]

An analysis of the number of Perda Zakat issued from 2001 to 2010 (listed in Appendix 5), supports the above assumption. Eight Perda Zakat were

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[38] See List of Perda Zakat in appendix 5.

[39] The Zakat Forum and Institute of Zakat Management (Institut Managemen Zakat, now becomes Indonesia Magnificence of Zakat – IMZ) are of this opinion. Moreover, one of the IMZ programmes is providing assistance for regional governments to enact Perda Zakat, such as training to compose Perda Zakat (*Pelatihan Penyusunan PERDA Zakat*) and consultations for those want to enact the perda (Penyusunan Peraturan Daerah Zakat). See for example IMZ advertisement in <http://www.imz.or.id/index.php?p=consulting> (accessed December 20, 2007). Noor Aflah, online interview, and Kushardanta, Director of IMZ, online interview with author 23 June 2008.

[40] Robin Bush (The Asia Foundation, Jakarta), "Regional 'Shari'ah' Legislation: Anomaly or Symptom?" in Greg Fealy and Sally While, eds., *Expressing Islam: Religious Life and Politics in Indonesia* (Singapore: ISEAS, 2008).

issued in 2004, which is the highest number compared to other years. Four Perda were issued by regions which had local elections in the following year, namely Bukit Tinggi, Tanah Datar, Banjarmasin and Barru. Three Regions that issued Perda Zakat in 2005—namely Bandung, Mamuju and Maros—had their local elections in the second half of 2005.

In addition to these regulations, the Zakat Management Law also stimulated the rapid growth of Islamic philanthropic organisations, which will be elaborated below.

Islamic Philanthropic Organisations

Zakat collection has been performed by three different types of organisation: *zakat* committees (*panitia zakat*), BAZs, and LAZs. (See Table 6.1 below). These types of organisation have existed since the New Order period, but the terms "LAZ" and "BAZ" were legally used in the *Reformasi* period by the Zakat Management Law.

Table 6.1 Types of *Zakat* Collector Organisations

	Community Zakat *Committees*	*BAZs* (Badan Amil Zakat)	*LAZs* (Lembaga Amil Zakat)
Form	Non-government	Government	Non-government
Characteristic	Temporary	Semi-Government structure	Permanent
Legal Basis	N/A	Local Government Decree	Legal deed
Management	Committees	Government administration	Professional
Basis	Neighbourhood and mosques	Government service	NGO
Funding	Community ZIS*	Government funds; ZIS from Government employees & community	Community ZIS

* ZIS: *Zakat*, *Infak* and *Sedekah*

The first two types represent bottom-up *zakat* traditions fostered by civil society, a continuation of the work of Muhammadiyah and other Islamic organisations started in 1918. LAZs are an organised and modern form of *zakat* committee. The Zakat Management Law necessitates that LAZs have

a legal document (*akte pendirian*)[41] as a foundation (*yayasan*) or be under a legal body. BAZs are semi-government agencies, established under the local government.

Community-*zakat* committees operate only at the end of Ramadan, mainly for the collection and distribution of *fitrah* and *zakat.* The committees are created by mosque boards, neighbourhood organisations (RTs and RWs), and social organisations. In the New Order, BAZs were developed at provincial level, such as the Bazis DKI Jakarta and BAZ Jawa Barat. In response to the Zakat Management Law, BAZs were established in provinces, regencies and districts, without requiring approval from the MORA. This policy is very different from that of LAZs, which require approval from the MORA (to be accepted as a national LAZ) or the provincial government (a provincial LAZ). LAZs must also achieve a certain amount of fundraising income if they wish to remain registered by provincial or central governments.[42]

There are no reliable figures regarding BAZs and LAZs, nor even on *zakat* committees in Indonesia.[43] If each mosque formed a committee to collect *zakat* and *fitrah*, there would be at least 643,000[44] *zakat* committees based in mosques. The Directorate of Zakat in the Ministry of Religious Affairs expected a total of about 5,649 BAZs, but there were only 1,001 (18 per cent had been formed by 2007).[45] The MORA reports may reflect only the number of BAZs that have been formally created, without a clear understanding of whether they are operational. From the above number, there were only about 300 active BAZs and 73 LAZs by 2007.[46]

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[41] *Akte pendirian* is a document that details the establishment of a foundation, and it must be legalised by a notary. Such documents are also called notary documents (*akte notaris*).

[42] The ministerial decree mentions requirements on LAZ.

[43] Neither the Ministry of Religious Affairs (MORA) nor BAZNAS (National body of Zakat) could be expected to provide detailed figures of LAZ and BAZ due to the weakness of their administration.

[44] This is based on a MORA report of 2005. According to MORA, the growth rate of mosques in 2000 is 0.8 per cent.

[45] Direktorat Pengembangan Zakat Departemen Agama RI, "Data statistic Pengumpulan, Pendayagunaan Zakat, Infaq dan Shadaqah tahun 2007" [statistics of the collection and disbursement of *zakat*, *infak* and *sedekah* in 2007], in *Data Zakat Seluruh Indonesia*, <http://www.webzakat.com/datazakat.html> (accessed March 28, 2008). The website provides *zakat* data from 32 provinces.

[46] This figure is based on the General Meeting of Islamic philanthropic organisations held in 2006 by the Zakat Forum. It was given by Noor Aflah, Executive Secretary of Zakat Forum, online interview.

The number of registered LAZs is small compared to that of BAZs. Some activists thought that their development was hindered by the strict regulations set by MORA. However, there are many large Islamic philanthropic organisations which do not seek "formalisation" from the MORA or provincial government, such as the LAZ Masjid Al-Markazy, in South Sulawesi, the LAZ Istiqlal Mosque in Jakarta, and the LAZIS Paramadina in Jakarta.

The establishment of LAZs was mostly encouraged by Modernist and Revivalist Muslims, either in Islamic organisations or in "secular" institutions. Based on the members of Zakat Forum and national LAZs, there are three types of modern institutions which became a strong basis for the establishment of LAZs: Islamic institutions, (secular) corporations, and financial institutions. See Table 6.2 below.

Table 6.2 The Basis of LAZs

	Basis of LAZs	*Member of Zakat Forum*	*%*	*National LAZs*	*%*
1.	Islamic institutions	16	57	11	61
2.	Corporations	6	21	1	6
3.	Financial institutions (banks)	6	21	6	33
	Total	28	100	18	100

Source: 1. Member lists of both Zakat Forum and national LAZs were provided by Noor Aflah, Executive Secretary of the Zakat Forum, 25 March 2008; 2. In 2010 the number of FOZ member becomes 28. Since 2008, FOZ has only received one new member. Noor Aflah, online interview with the author, 14 March 2011.

Islamic institutions include Islamic schools (such as Al-Azhar), Islamic parties (such as PKS), religious study-groups (such as Pengajian Al-Falah), and mosques. Examples of corporations are PT. Pupuk Kaltim, PT. Pertamina, and PT. Garuda Indonesia, and finance institutions include the National Bank of Indonesia, the Muamalat Bank, and Baitul Mal wa Tamwil –BMT).[47]

More than half of the LAZs in 2011 belong to socio-religious institutions. Many LAZs developed from social programmes which included collecting and redistributing *zakat* and *sedekah*, managed by mosque activists. Large mosques usually established their own boards for *zakat* and non-*zakat* donations which were active throughout the year, not only during the end

[47] See the list of Lembaga Amil *Zakat* in Appendix 6.

of Ramadan. Examples of this type of LAZ are the House of Zakat, Al-Falah Social Funds (Yayasan Dana Sosial Al-Falah – YDSA)[48] and the Body for Waqf and Zakat Salman (Lembaga Wakaf Zakat Salman –LWZ).[49]

The LAZs created at multi-national banks and corporations were initially only informal bodies working for the collection of *zakat* from Muslim employees who wanted to fulfil the Islamic teaching of *zakat*. As New Order politics during the 1990s were accommodating Islam, these bodies obtained support from their company management. Later, they were encouraged to get legal status as a formal LAZ, as this would provide a positive image for their corporation. Some of these LAZs were created after 1999, stimulated by the spirit of the Zakat Management Law.

Large Islamic organisations such as Muhammadiyah, Persis, and Dewan Dakwah Islamiyah Indonesia (DDII) created their own LAZs. Even Nahdlatul Ulama, a Traditionalist Muslim organisation, followed the trend of having an organised LAZ called Lazis NU. This establishment was probably launched by a few elite members of Nahdlatul Ulama and did not have any impact on grassroots practices among Traditionalist Muslims. Lazis NU is the only Traditionalist organisation that received a status as a national LAZ. Lazis Muhammadiyah is the only LAZ that formally represents the Muhammadiyah organisation. The performance of Lazis Muhammadiyah is a little better than that of Lazis NU.[50] Lazis Muhammadiyah has not obtained grass-roots support from Muhammadiyah members, which is different from Bapelurzam in Kendal and other charitable works of Muhammadiyah throughout the country. It was established to serve *zakat, sedekah* and other kinds of donations at the national level.

Leading LAZs are mostly those which were established as social foundations (*yayasan*) independent from their mother organisations. Two examples are the Dompet Dhuafa (which is independent from Republika) and PKPU (which is independent from the Prosperous Justice Party). LAZs that are part of large Islamic institutions, corporations, and financial institutions have not been able to compete with those independent LAZs because they work as an internal section supporting a big organisation. Leading LAZs are mostly supported by Revivalist Muslims who have a strong *da'wa* mission and are in some way connected with Islamism.

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[48] It was established in 1987 in Surabaya.

[49] LWZ is a provincial LAZ established under the Masjid Salman Mosque Foundation. The foundation and activities of Salman mosque are supported by Muslim activists such as those of *tarbiyah* or those from the *usrah* movement at ITB.

[50] See for example its *zakat* and *sedekah* collection in Appendix 6.

Zakat *Reform: Organisation, Reinterpretation and Adaptation*

This section discusses the ways Muslims professionalise the organisation and disbursement of *zakat*. It will mostly refer to the role of Dompet Dhuafa, an organisation that was created with the blessing of the New Order, but which later led the *zakat* movement after the *Reformasi*.

Dompet Dhuafa[51] was formerly a charity section of the *Republika* newspaper. It was established on 2 July 1993 by Parni Hadi, Eri Sudewo, S. Sinansari Ecip and Haidar Baqir, all journalists at *Republika*. It became independent in 2001 but still has "Republika" in its name.[52] There is no doubt that the birth of Dompet Dhuafa was a beneficiary of the accommodative Islamic policies of the New Order provided by *Republika* and ICMI (The Indonesian Association of Muslim Intellectuals),[53]of which *Republika* is a project of ICMI.[54] These New Order policies were openly supported by the majority of Muslims. They included the establishment of Islamic media such as *Republika*, the Islamic intellectual association ICMI, and the Islamic bank (Bank Muamalat Indonesia). While some scholars think that ICMI was used by the New Order government, others think that it also obtained some benefits from the regime. One of the benefits to Muslims was the growth of the newspaper *Republika*, the institution which founded Dompet Dhuafa. Although it was previously burdened with its affiliation to ICMI and the New Order, Dompet Dhuafa successfully overcame that hurdle because of its accountability and independence from the New Order government, and it gained the trust of Muslim communities.

Dompet Dhuafa and LAZs have sought to reform the practice of Islamic philanthropy in three ways: through modernising management, programme diversification and *fiqh* reformulation. Each of these aspects will be elaborated below.

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[51] On Dompet Dhuafa, see Karlina Helmanita, "Mengelola Filantropi Islam dengan Manajemen Modern: Pengalaman Dompet Dhuafa," in *Revitalisasi Filantropi Islam Studi Kasus Lembaga Zakat dan Wakaf di Indonesia,* edited by Chaider S. Bamualim and Irfan Abubakar (Jakarta: Center for Languages and Cultures, UIN Jakarta, 2005), pp, 87-124. Dompet Dhuafa website is <http://www.dompetdhuafa.org/>

[52] Eri Sudewo, interview by the author, 17 August 2006.

[53] ICMI was founded in 1990 and led by B.J. Habibie. About ICMI see M. Syafii Anwar, *Pemikiran dan Aksi Islam Indonesia: Sebuah Kajian Politik tentang Cendekiawan Muslim Orde Baru* (Jakarta: Paramadina, 1995).

[54] See Helmanita, "Mengelola filantropi," pp. 88-93.

Modern Management

Adaptation to modern management is something that has been sought by Modernist organisations from the early twentieth century onwards, but it is still an issue for Modernist and Revivalist organisations in the twenty first century. Dompet Dhuafa and some LAZs have campaigned for professional, or at least, modern management. This became an important aspect because *zakat* collection had been heavily overshadowed by traditional practices and ambiguities. This introduction of modern management can be seen as a revival of Muhammadiyah's work on *zakat* before independence. While Muhammadiyah had transformed some of its philanthropic activities into semi-business non-profit institutions (such as schools, universities, banks, and hospitals), Revivalist Muslims have continued Muhammadiyah's efforts to create modern philanthropy organisations, focussing only on charitable activities.[55]

LAZs and Dompet Dhuafa campaigned for LAZs to have good administration and to be accountable and transparent. Accountability and transparency have become significant icons for LAZs, which compete with one another to publish and distribute their financial reports. In this way, LAZs have broken through a taboo that says that asking and publishing about donated money is not acceptable.[56] Reports of *zakat* collection and distribution have become a significant marketing device to gain trust from the community. LAZs (and also some BAZs) competed to have their reports audited and published.[57]

Following the LAZ model, BAZs are encouraged to be modern charity organisations. However, the work standards (ethos) of BAZs and LAZs are somewhat different. LAZs tend to be flexible, bottom-up, and supported by industrious (if not militant) activists, who are driven by idealism, whereas BAZs are mostly top-down and bureaucratic, and they are maintained by civil servants who work only to fulfil their duty. LAZs usually have good human resources compared to BAZs.[58] Only a few BAZs have been able to

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[55] Eri Sudewo, a founder of Dompet Dhuafa, strongly criticised Muhammadiyah for changing its charitable works to become profit-oriented. Sudewo is not an activist of Muhammadiyah.

[56] It is based on the attitude (which is based on the Qur'an and the Hadith) that donations should be given in secrecy. See Appendix 4, Tables 10 and 11.

[57] MORA regulation no 373/2003 chapter 22 obliges national and provincial LAZs to have their financial reports audited by a public accountant.

[58] Irfan Abubakar and Chaider S. Bamualim, eds., *Filantropi Islam dan Keadilan Sosial: Studi tentang Potensi, Tradisi, dan Pemanfaatan Filantropi Islam di Indonesia* (Jakarta: Center for the Study of Religion and Culture, 2006).

perform well and earn trust from the community; Bazis DKI Jakarta is one of these.[59]

Another reform is the professionalisation of the job of *zakat* managers (*amil*). In Indonesia, the work of an *amil* is a traditional job that has been performed voluntarily by a *kyai* or *modin*, or by someone dealing with religious matters in a village. Due to the demand to expand the *zakat* sector, Dompet Dhuafa urged that an *amil* should be a qualified person who can work full-time to manage *zakat* organisations. Therefore, *amil*s, who used to work voluntarily (*ikhlas* or *lillahi ta'ala*—for the sake of God), were to be transformed into professional managers who work full-time and receive good salaries. Dompet Dhuafa pioneered this tradition by recruiting professionals to work in its management. This reform, which has been followed by other LAZs and also by some BAZs, has indirectly encouraged Muslims not to give their *zakat* to *kyais*, because most of them are not equal to the task of a modern *amil*.

Programme Diversification

Dompet Dhuafa and LAZs campaigned for philanthropic organisations to move from their traditional *amil* job as *zakat* collectors into providing more than charitable programmes and the majority of LAZs have extended their programme sectors into education, health, and social and economic areas. This again challenges the strong tradition that *zakat* money is spent only on rice or is given as cash and to specific beneficiaries, a tradition that has been preserved by local *kyai* and the majority of mosque-based *zakat* committees. It challenges the belief that *zakat* money should be used only for specific religious matters, a belief that came from a long tradition of *zakat* practice.

Dompet Dhuafa has provided a good model for this programme diversification. It has developed various projects in education, health, and economic and social matters, which are run by its independent organs. In education, it created the Lembaga Pengembangan Insani (Human Development Organisation) which provided scholarships and various forms of training, ran a free Islamic boarding school, and established and facilitated numerous other schools. The health sector programme is run by the Layanan Kesehatan Cuma-Cuma (Free Health Service), its economic empowerment programme by the Masyarakat Mandiri (Independence Community), and its social services through programmes such as Aksi

[59] See Chapter 5.

Cepat Tanggap (Emergency Action) and the Tebar Hewan Kurban (Dissemination of Sacrificial Meat).

Modern LAZs have adapted very well to community needs. In response to natural disasters, most organisations have humanitarian programmes as an extension of the social programme and these programmes have become permanent because disasters have followed one after the other. After the tsunami struck Aceh and Nias in 2004, a huge earthquake hit Yogyakarta and Bantul in 2005, widespread flooding swamped Jakarta in 2006, a tsunami struck the coast of West Java in 2006, landslides struck Bojonegoro and Padang in 2006, Mount Kelud erupted in 2007, and Mount Merapi erupted in 2006 and 2010. LAZs have responded to all of these disasters by providing humanitarian assistance, including the establishment of search and rescue groups, and participation in the above efforts has brought new benefits for LAZs, not only in terms of gaining trust from the community, but also in getting more income. The "teardrop management" (*managemen air mata*),[60] the most heart-rending and saddening aspects of a particular tragedy, can easily persuade people to help a cause.

Behind the acceptance of humanitarian assistance, philanthropic organisations are open to issues regarding non-Muslims and the empowerment of women—issues which were sensitive in Islamic organisations. By declaring themselves as philanthropic organisations and becoming involved in humanitarian assistance, LAZs have become open to the issue of non-Muslim recipients as well as donors. Dompet Dhuafa, PKPU, LWZ, and DPU, all of which I was able to interview, formally stated their openness to the issue, saying that in a life-threatening situation everyone tries to help without thinking of religious identity.[61] In most cases, however, interest in Islamic causes is far greater given that LAZs were specifically founded on Islamic ideology.

Gender issues and women's empowerment are certainly not mainstream issues among LAZs. However, the more professional the management, the more probable it is that the LAZs become more gender-sensitive.[62] Dompet Dhuafa also provides a good example of this. In 2005 and 2006 it

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[60] Nana Mintarti, Manager of Dompet Dhuafa, interview by the author, Jakarta, 12 June 2005.

[61] Rachmad Riyadi, Director of Dompet Dhuafa, interview by the author, Jakarta, 16 August 2006; Sahabuddin, interview; Abdullah Gymnastiar, founder and chief board member of DPU Daarut Tauhid, interview by the author, Bandung, 4 September 2006, and Iman Abdullah, Chief of LWZ Salman, interview by the author, Bandung, 9 September 2005.

[62] See my chapter "Women, Islam and Philanthropy in Contemporary Indonesia," in *Indonesian Islam in a New Era, How Women Negotiate their Muslim Identities*, ed. Susan

had two programmes specifically for women's empowerment, namely Wakala (Wanita Kepala Keluarga), supporting widows who are sole providers for their families, and the Sahabat Pekerja Migran (Friends of Migrant Workers), supporting female migrant workers. The latter programme was suspended in 2007 but renewed in 2009 under the name Migrant Institute and has run in many Dompet Dhuafa branches, especially the Hongkong branch.[63] It was relaunched in Jakarta in January 2011.[64]

As might be presumed, however, the agenda of empowerment has not yet become a mainstream issue. LAZs seem to accommodate donors who prefer short-term assistance where the impact is easily observed. For LAZs it is easier to use "teardrop management" and religious causes which are usually easily dealt with through short-term assistance. However, some LAZs have successfully used religious causes to support a "long-term" programme. For examples, Dompet Dhuafa in 2009 launched a programme called Sedekah Pohon, or 'alms for trees' (Figure 6.1) and the LWZ Salman has a reforestation programme called *waqf* of trees (*wakaf pohon*),[65] linking an environmental concern with a religious issue. Dompet Dhuafa also supported an advocacy movement for the independence of *zakat* organisations (details will be discussed in the last section of this chapter). In relation to many recent empowerment programmes of LAZs, Dompet Dhuafa seems to be a leading organisation that takes empowerment and "philanthropy" seriously.

Compared to the reforms undertaken during the New Order period, the programme of diversification of LAZ is well developed, although it seems to be hindered by its own strict understanding of the interpretation and implementation of *zakat*.

Reinterpretation Related to Zakat

The programme of diversification is closely related to the last aspect of philanthropic reform, namely *fiqh* (Islamic jurisprudence) in relation to reformulation. This reformulation applies to Islamic regulations (mostly found inbooks of *fiqh*) that are specifically related to philanthropic activi-

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Blackburn, Bianca Smith and Siti Syamsiyatun (Clayton; Monash University Press, 2008), pp. 167-89.

[63] M. Sabeth Abillawa, Manager of Advocay Dompet Dhuafa, online interview, 14 March 2011.

[64] "DD Hongkong Launching Migrant Institute," *DDHK News*, <http://ddhongkong.org/2011/01/dompet-dhuafa-launchig-migrant-institute/> (accessed 14 March 2011).

[65] Iman Abdullah, interview, and LWZ Salman, "Laporan LWZ 2005" (report, LWZ Salman, 2005).

Figure 6.1 Dompet Dhuafa Alms for Trees

Source: Website of Dompet Dhuafa, http://www.dompetdhuafa.org.

ties requiring a progressive adaptation to a modern society. It can be called the *fiqh* of philanthropy (*fikih filantropi*). Most LAZs seek an Islamic basis from the Qur'an, *hadith* and the opinions of jurists to support their modern adaptations, which they then use to justify economic empowerment and humanitarian assistance, including the use of banks and other modern devices.[66] Two reforms of the *fiqh* of *zakat* have been in progress: the rein-

[66] Local publications on Islamic philanthropy, such as those of CSRC and Pirac, aim to support the reform in the practice of philanthropy. Pirac published a book to support reinterpretation of the use of *zakat* money and *zakat* beneficiaries to include a concern on

terpretation of *zakat* beneficiaries[67] and a reformulation of, and payment of,*zakat* that is due.

This "*fiqh* of *zakat*" reform was not apparent in Muhammadiyah's reforms before independence, but became evident from the 1980s, most probably through the impact of Hasbi Ash-Shiddieqy's works.[68] Bazis DKI was among the first to implement reinterpretations of *fiqh* regarding *zakat*[69] while LAZs seem to refer to Yusuf Al-Qardawi's *Fiqh al-Zakat*[70] in addition to other local works such as the one by KH. Didin Hafidhuddin.[71] However, the reference to *fiqh* and *madhhab* authority is not that strong since the main reference is to the Qur'an and the Prophetic tradition.

Regarding the Islamic legal basis for *zakat* beneficiaries, Dompet Dhuafa and LAZs mostly refer to Qur'an 9:60 either directly or by referring to the above *fiqh* works. This verse mentions eight categories of beneficiaries (see column one of Table 6.3 below). There are various interpretations held by LAZs, especially in relation to the meaning of "*fi sabililah,*" as it historically refers to those going to wars, and "*riqab*" which historically refers to freed slaves. Some LAZs use contextual interpretations in dealing with the categories of beneficiaries. For their interpretation and *zakat* distribution programmes see Table 6.3 below.

The degree of interpretation and implementation of the eight beneficiaries varies among LAZs, but the above interpretations and programmes are fairly well accepted by many LAZs.

One interpretation regarding *zakat* beneficiaries was proposed by Masdar Mas'udi, a leader of NU. According to him, *zakat* benefits should be disbursed to three sectors, the poor/destitute, *amil*, and *fi sabilillah*.[72] Since

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development, women, the aged, environmental problems, and the protection of children. Hamid Abidin, ed, *Reinterpretasi Pendayagunaan ZIS Menuju Efektivitas Pemanfaatan Zakat Infak Sedekah* (Jakarta: Pirac, 2004).

67 See reinterpretation of *zakat* beneficiaries by Hasby Ash-Shiddieqy in Chapter 5.

68 On Hasbi's *fiqh* of *zakat*, see Chapter 5.

69 For example, its 1969 guidelines on *zakat* include flower plantations and rental houses as properties liable for *zakat*. Bazis DKI has disbursed *zakat* money as business loans since 1969. Fauzia, "Bazis DKI Jakarta," pp. 43-5; and Bazis DKI interpretation of "fiqh of zakat," ibid, pp. 50-1.

70 Yusuf Qardawi, *Fiqh al-zakat: Dirasa al- muqarinah li-ahkamiha wa-falsafatiha fi daw' al-Qur'an wa-al-sunnah*, 2 vols. (Beirut: Mu'assasat al-Risālah, 1418 [1997]). The Indonesian version was translated, among others, by Didin Hafidhuddin. *Hukum Zakat: Studi Komparatif Mengenai Status dan Filsafat Zakat Berdasarkan Quran dan Hadis*, translated by Salman Harun, Didin Hafidhuddin, and Hassanuddin (Singapore: Pustaka Nasional, 1988).

71 Didin Hafidhuddin, *Panduan Zakat bersama Dr. KH. Didin Hafidhuddin* (Jakarta: Penerbit Republika, 2002).

72 Masdar F. Mas'udi, *Agama Keadilan Risalah Zakat* (*Pajak*) *dalam Islam,* 3rd ed (Jakarta: P3M, 1993); Masdar F. Mas'udi, "Zakat itu Ajaran Ruh yang Harus Dilembagakan," interview

Table 6.3 Interpretation of *Zakat* Beneficiaries

Categories	*General meaning*	*New Interpretations*	*Examples of Programmes*
Fuqara	The poor	The poor	Small business loans; social and economic advocacy; scholarships; food provision; search and rescue; orphan support; and health service
Masakin	The needy	The needy	
Amil	*Zakat* collectors	*Zakat* managers/ *Zakat* agencies	LAZ operational expenses including salaries and marketing
Muallaf	New converts	Those whose hearts are reconciled	Food support, provision of money.
Fi riqab	Slaves	Those in bondage	Training for labourers; religious sermons and food provision for prisoners.
Gharim	Those in debt	Those in debt	Financial loans, provision of money
Fi Sabilillah	Those going to war	Those who work in or use for the advancement of God's cause	Establishment of schools; provision of salaries for teachers and *da'i* (Islamic propagators); scholarships
Ibn Sabil	Wayfarers	Wayfarers; those who sought for knowledge.	Scholarships; training for street children; poor travellers.

he believes that *zakat* is the same as tax, *amil* refers to state expenditure and *fi sabilillah* refers to any public good. Therefore the use of *zakat* or tax funds is extensive and far reaching such as for the eradication of poverty and to support those communities that are underprivileged.[73] Indeed, this category could optimise the use of *zakat* funds to benefit all the people without discrimination, since it is based on the thought that Islam promotes justice. However, this idea implies that *zakat* or tax is managed by the state and that the existence of LAZs is not important. Although some of the above interpretations and programmes of LAZs are in line with the interpretation made by Mas'udi, most LAZs reject the notion that *zakat* is the same as tax. The majority of LAZs (if not all) also disagree with the idea that beneficiaries of *zakat* should not be limited to Muslims.

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in *INFOZ* VII (Ramadan 1426/October 2005), pp. 9-11. Discussion on jurisprudential argument of Mas'udi's thought on *zakat* is provided by R. Michael Feener, *Muslim Legal Thought in Modern Indonesia* (Cambridge: Cambridge University Press, 2007), pp. 174-81.

[73] Mas'udi, Agama Keadilan; Mas'udi, "Zakat itu Ruh."

Some LAZs, however, use a literal translation and strictly follow the examples from the Prophet, after the vision of Revivalist Muslims. For example, LWZ has not created any programmes for the category of "*riqab*" because its management thinks that "*riqab*" means slaves. As there are no slaves today resembling those during the Prophet's time, the *zakat* portion that is supposed to be distributed under the category of "*riqab*" is distributed to other categories.[74] This decision was made because the management wanted to follow the (safer) conservative opinion rather than a controversial (liberal) one.

LAZs have reformulated the *zakat* dues in order to simplify their calculation and payment, which are rather complicated if the classic *fiqh* books are used. Recalculations are based on monetary value, including that of livestock and agricultural products.[75] LAZs have promoted and iconised "professional *zakat*" or "income *zakat,*" a modern *ijtihad* of *zakat* based on salaries in professional jobs. In addition, they use conventional and Islamic banks, credit cards and SMS services, as well as cooperation with multi-national supermarkets and fast food restaurants to get *zakat* money transferred from Muslim consumers.

In carrying out these initiatives, LAZs are very careful not to depart from the principles of Islamic law. They have opened the fundraising to any kind of Islamic charitable practice, such as *kafarat* (penance money given for the poor), *qurban* (slaughtered animal contribution), *aqiqah* (giving slaughtered meat on the occasion of a birth), and cash *waqf* (*waqf* given in the form of cash) andon this principle, some LAZs openly accept "non-halal" funds, a term that is used in their financial reports. These funds are bank interests which, among certain Muslims, are still controversial according to Islamic law. Some donors donate to LAZs their bank interest and other funds that may be unwanted owing to concerns about whether or not they are *halal*. These "non-halal" funds may also come from the LAZ itself to identify bank interests from their bank accounts. As can be seen in financial reports, some LAZs such as Dompet Dhuafa do not treat bank interest specifically as *halal* or non-*halal*, but others, such as PKPU, YDSA and RZ, call it "non-*halal* funds." This differentiation is related to the respective constituents of LAZ. Those who separate the funds out as "non-

[74] H. Samsoe Basaroedin, a member of the advisory board of LWZ, interview with the author, Bandung, 9 September 2005. He is also Chief of Education and cadre division of the Salman Foundation and a lecturer at ITB.

[75] A classic *fiqh* regulation, for example, specifies in detail the donation of one calf as *zakat* over forty cows and the donation of 10% of one's agriculture harvest if it was produced from soil well soaked by rain.

halal" use a strict and careful implementation of Islamic regulations as they come from *da'wa* and *tarbiyah* communities, who are mainly from the urban middle class and are Revivalist Muslims.

Based on these three aspects, philanthropic organisations obtained greater trust from the Muslim community andtheir *zakat* and *sedekah* incomes are an indicator of this. During the economic crisis in 1998 and 1999, the *zakat* collection of Bazis DKI decreased, but the collected income of Dompet Dhuafa increased by 94 per cent with regard to *zakat* and 160 per cent with regard to *sedekah*. Dompet Dhuafa's *zakat* income increased by 74 per cent in 1999 and by 99 per cent in 2000. The fundraising income (based on a 2007 report) of Dompet Dhuafa in 2006 was Rp. 55.2 billion, and that of the PKPU Rp. 35.8 billion, and of RZ Rp. 35.3 billion. These figures are outstanding compared to those of the National Zakat Body (Baznas), at 14.5 billion, or that of Bazis DKI Jakarta, at 21.7 billion rupiah. The Bazis DKI probably obtains the highest income of any BAZ, due to its good performance. Some BAZ only collected *zakat* from office-bearers in the province or district[76]and the *zakat* income of the National Zakat Body is an indicator that the body is only supported by bureaucrats. LAZs gained their confidence and accordingly had bargaining power against BAZ, Baznas, and MORA.

State Involvement in Zakat *Management*

Zakat reform in the *Reformasi* period brought an effort to involve the state in the organisation of Islamic philanthropy, in particular *zakat*. This was mainly instigated by Revivalist Muslims who tend to lean towards the Islamist vision that *zakat* is part of the state. Therefore, the efforts toward modernising *zakat* in particular were not only directed at gaining more autonomy and power of civil society, but also inclined to using state organs in order to empower *zakat* implementation. This section will discuss the achievements as well as challenges of the Reformist *zakat* activism. The achievements included bringing more bureaucratisation and state involvement in the practice of *zakat*, whereas the challenges related to a rejection of state involvement and reform.

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[76] See, for example, a report about *zakat* collection in Sidoarjo, East Java. Kabupaten Sidoarjo, <http://www.sidoarjokab.go.id/08-lemb-non-pem/baz/02-laporan/2006/01-tbl_lap_apr106.php> (accessed 8 July 2008).

Bureaucratisation: Baznas and Ministry of Zakat

This sub-section will show that although Muslim civil society was strong and was able to impose its own *zakat* reform agenda in a weak state, the reform could not successfully be implemented. In their efforts to reform and encourage Islamic philanthropy, LAZs have aimed to obtain state enforcement for Islamic regulations. Among their successes are the creation of the National Zakat Body (Badan Amil Zakat Nasional – Baznas), and tax deduction for *zakat* payers. These ideas are mentioned in the Zakat Management Law.[77]

The foundation of Baznas is regarded as a fundamental step in the direction of the reform and revitalisation of *zakat* management in Indonesia. It was mainly supported by LAZs, through its Zakat Forum (Forum Zakat or FOZ) which was established on 19 September 1997.[78] MORA accommodated the establishment of Baznas in its own way, by putting it under MORA "supervision". From a legal perspective, the position of Baznas is strong as it was established by Presidential Decree No 8/2001 as an independent body reporting to the President. This independent body, however, does not have the legal power to supervise *zakat* and all Islamic philanthropic organisations, nor the power to deal with legislation of Islamic philanthropy. For this reason there have been expressions of disappointment not only from people involved in community-based *zakat* activities but also internally from members of Baznas.

Although the position, structure, and office bearers of Baznas look strong, the organisation is actually weak and somewhat under the jurisdiction of MORA. Baznas's board consists of national figures, a combination of philanthropic activists from LAZs, *'ulama*, philanthropists, intellectuals, and bureaucrats. They sit as commissioners, executives, supervisor and advisors to Baznas. Baznas is led by leading figures of LAZs, such as Eri Sudewo and Didin Hafidhuddin, both from the Dompet Dhuafa.[79] Nevertheless, the existence of these leading activists does not help Baznas.

In reality Baznas is no more than a national BAZ that has authority to collect *zakat* from government officials (such as the President and ministers) and multi-national corporations.

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[77] The foundation of Baznas is stipulated in article III, and tax deduction is stipulated in article IV clause 14, no 3 of the Zakat Management Law.

[78] It was established by eleven organisations. On the role of the Zakat Forum in the creation of the Zakat Management Law, see Nur Ichwan, *Official Reform of Islam*.

[79] Both have been members of Baznas since its inception and became heads of Baznas from 2004 onwards.

Figure 6.2 President SBY handing in his *fitrah* and *zakat* money to BAZNAS's chief, KH. Didin Hafidhuddin on 16 September 2009.

Source: http://www.presidenri.go.id/index.php/fokus/2009/09/16/4656.html

Its office administration is poor because the majority of Baznas board members are not working full-time, and the office depends on MORA for its budget. Moreover, it functions as a *zakat* collection body, like any BAZ or LAZ. It cannot be expected to provide data about LAZs and BAZs in general. As a result the donation income of Baznas is far from what had been expected. It was predicted to collect 7 trillion rupiah (USD 760 million) in a year,[80] but could only collect about 1.8 billion rupiah (USD 195,000) from 2001 to 2003,[81] or a total of 3.8 billion rupiah (USD 413,000) of *zakat* and *sedekah* from 2001 to 2006.[82] In addition to this poor perfor-

[80] Forum Zakat, "Baznas Sebuah Catatan Awal yang Tertatih-tatih" [A note on early development of Baznas], *Forum Zakat*, 20 January 2006, <http://www.forumzakat.org> (accessed December 20, 2006).

[81] "Baznas: Amanah, Transparan dan Profesional" [Baznas: trustworthy, transparent and professional], Permodalan Nasional Madani website, dated 28 October 2003, <http://www.pnm.co.id/content.asp?id=647&mid=77&Language=2>, (accessed 28 March 2008). This is a performance report from the Permodalan Nasional Madani (Civil National Resources--PNM) as the Baznas board hired PNM to work for its daily operations.

[82] Forum Zakat, "Baznas Sebuah Catatan Awal." However Baznas reported an income of about 20 billion rupiah in 2006. "Laporan Keuangan," Newsletter Baznas and Dompet Dhuafa, September 2007, pp. 42-43.

mance, Baznas's role in the collection and distribution of *zakat* and *sedekah* incited harsh criticism from other philanthropic organizations, the reason being that it had become a significant rival to other LAZs and BAZs rather than encouraging and building strong coordination among them.[83]

In 2006, Eri Sudewo tried to empower Baznas through a collaboration with Dompet Dhuafa. Baznas appointed Dompet Dhuafa to do its administration work and agreed to a compromise to let the name of Dompet Dhuafa follow that of Baznas's name, hence Baznas-Dompet Dhuafa. However, this synergy ceased in 2007, apparently due to technical difficulties[84] and objections from MORA and other LAZs.[85] Rather than allow Baznas to control *zakat* activities in the country, MORA established the Directorate for Zakat Development (previously the Directorate of Zakat and Waqf) which works at offices of Religious Affairs at provincial, district, and subdistrict levels.[86]

After the breakdown of the synergy, LAZs clearly proposed that the implementation of *zakat* be revitalised through the creation of a Ministry of *Zakat*.[87] The proposal was shared by a majority of participants at the 2007 Conference of Southeast Asia Boards of Zakat (Konferensi Dewan Zakat Asia Tenggara II), including the MORA.[88] Both proposals were based

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[83] HM. Sukanta AS, chief of Bazis DKI Jakarta, interview by the author, Jakarta, 7 September 2005.

[84] Many difficulties arose from the fact that both Dompet Dhuafa and Baznas were huge organisations. Hafidhuddin gave as an example the fact that it was difficult to integrate Baznas (which is legally based on a Presidential decree) with Dompet Dhuafa (which is based on a foundation). Hafidhuddin, email interview, 01 February 2008.

[85] It was very difficult for MORA to work with Baznas-Dompet Dhuafa which was dominated by idealist activists. In addition, many LAZs thought that the synergy was not fair. They accused Dompet Dhuafa of exploiting Baznas's name for its own benefit. Eri Sudewo, email communication, 9 January 2008; Eri Sudewo, "Masa Suram Zakat" [a gloomy period of *zakat*] in *Politik Ziswaf* (Jakarta: Piramedia, 2008).

[86] About these directorates, see Nur Ichwan, Official Reform of Islam.

[87] Eri Sudewo was the most vocal activist who proposed many different systems of revitalising *zakat* under the state organ. In 2003 Sudewo has proposed the creation of Ministry of Zakat and Waqf to replace the Baznas. "Mereposisi Peran BAZNAS," *Republika*, 12 September 2003, <http://www.republika.co.id/suplemen/cetak_detail.asp?mid=5&id=139514&kat_id=105&kat_id1=147&kat_id2=300>(accessed March 7, 2007). Besides campaigning for the creation of the Ministry of Zakat and Waqf, in 2007 Sudewo also suggested the alternative of creating a Directorate of Zakat under the Ministry of Finance, to stand beside the existing Directorate of Taxation. Eri Sudewo, "Masa Suram Zakat."

[88] The initial conference was an initiative of the Zakat Forum and Dompet Dhuafa with other *zakat* agencies from Malaysia, Brunei and Singapore. Since *zakat* implementation in these countries is carried out by a state agency, the second conference (held in Padang, 30 October – 3 November 2007) successfully stimulated the involvement of MORA. MORA's warm support for the idea should be observed carefully since it may be motivated by the

on the idea that *zakat* should be regulated and managed by the state,[89] referring to the implementation of *zakat* at the time of the Prophet (r. 613-632M) and the four rightly-guided caliphs (r. 632-661). Most LAZ leaders, including the chairmen of Baznas, KH.Didin Hafidhuddin and Eri Sudewo, supported the opinion.

Eri Sudewo, a dedicated icon of *zakat* reform after *Reformasi*,[90] is of the opinion that *zakat* is an "Islamic tax" which should be controlled and managed accordingly by the state in order to effectively eradicate poverty and to fulfil the implementation of Islamic *shari'a*.[91] According to him, *zakat* is not philanthropy, but an obligation of Muslims that should be implemented by the state.[92] This is probably a main reason for Sudewo's acceptance of a position in Baznas, a state agency, as Baznas is a realisation of state management and control over *zakat*.

KH. Didin Hafidhuddin,[93] the general leader of Baznas and board member of Dompet Dhuafa, is of the opinion that:

> *zakat* is not an individual matter, but [a matter for] the state—or a body that represents the state—because *zakat* is not only about giving a 'mouthful of rice' to *mustahiq* but also about providing welfare. Talking of welfare, this cannot be achieved by individual persons, [but by the state]".[94]

Hafidhuddin and many other LAZ leaders have as their model the Malaysian system of *zakat* collection by the state.

The above thoughts of Sudewo and Hafidhuddin reflect the support that exists for state involvement in Islamic philanthropy—an idea that is close to Islamists who seek to Islamise the state and impose Islamic agendas through state power. This Islamist way of thinking can also be seen in the next sub-section.

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benefit to expand the bureaucratisation of its office, as happened previously with the Directorate of Zakat and Wakaf. There is no guarantee it will continue to support the idea.

89 Eri Sudewo, email interview.

90 Sudewo was a journalist at the Islamic-based newspaper *Republika* and one of the founders of Dompet Dhuafa and the Zakat Forum. He decided to become a "professional *amil*" and work as an "entrepreneur" in the philanthropic sector. He is deputy chief (*Ketua 1*) of Baznas and a board member of Dompet Dhuafa.

91 Eri Sudewo, email interview, 29 March 2008.

92 He criticises the idea that *zakat* is regarded as a form of Islamic philanthropy, the idea which has been proposed by the State Islamic University Jakarta. Sudewo, ibid.

93 Hafidhuddin graduated from the State Islamic University Jakarta. The [Prosperous] Justice Party nominated him as a presidential candidate in the general election in 2004, but the party did not obtain enough votes to compete in the second election round. Hafidhuddin is an advisory member of Dompet Dhuafa and a few other Islamic philanthropic organisations.

94 Hafidhuddin, email interview, 1 February 2008.

Tax Deduction and Zakat *Enforcement*

Tax deductions for payers of *zakat* has been informally proposed in Indonesia since the 1960s. In this system the amount of *zakat* one pays would be deductible from the amount of income that is assessable for income tax purposes[95]and this regulation was stipulated in both the Zakat Management Law (1999) and the Income Tax Law (2008). In principle, the system is one that is implemented in many western countries, where charitable contributions can be deducted from taxable income, and for most Muslim leaders, this policy is an accommodative solution for Muslims living in a secular state, where they have the obligation to pay tax as well as *zakat*.[96]

However, this policy is a kind of lip service because it is not fully supported by the Tax Office and the Ministry of Finance. Both agencies are concerned about the decline in tax payment, and fear that the policy would add another problem to cause a decrease in the tax payment. As a result, until 2010, there was no improvement in the realisation of this tax deduction, and almost none of the Islamic philanthropic organisations were seen to clearly assist their *zakat* payers to benefit from this policy. LAZs were quite successful in applying political pressures in 2009 and 2010 to get tax credit for payers of *zakat*. But the government retained its position of not giving tax credit (ie, a direct tax cut), but instead gave a tax deduction (which was treated as Gross Income before being deducted).[97] The old policy of tax deduction for *zakat* was reconfirmed by a circular from the Director General of Tax dated July 2010 and the Government Regulation no 60/2010 on "Zakat or Mandatory Religious Donations which are Deductible from Gross Income."[98]

Muslims also seem reluctant to obtain this "benefit" because it does not give them a significant tax deduction and could cause extra trouble for them in dealing with the notorious Tax Office. It has become general

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[95] For a practical guide to calculating tax deductions from *zakat* payment, see Gustian Djuanda et al., *Pelaporan Zakat: Pengurang Pajak Penghasilan* (Jakarta: RajaGrafindo Persada, 2006).

[96] Quraish Shihab and Abdullah Gymnastiar are among those who agree with the system. Shihab, interview by the author, Jakarta, 20 September 2006, and Abdullah Gymnastiar, interview by the author, Bandung, 4 September 2006.

[97] This tax credit is a system which deducted the tax amount directly. For example, in the case of someone who had paid *zakat* on one million rupiah, if the person has to pay tax for ten million rupiah, he or she can get a tax cut of one million rupiah and only pay tax for nine million rupiah.

[98] The regulation is available online at the website of the Ministry of Home Affairs as follows: <http://www.depdagri.go.id/media/documents/2010/09/28/p/p/pp_no.60-2010.doc>

knowledge that the Tax Office is a corrupt state agency and that the tax system is not well run in the country[99]and there was speculation that this policy was intended to trap *zakat* payers who had not fulfilled their tax obligations. In addition, and especially before 2010, the majority of Muslims might not have tax numbers.[100] Yet, only 67 per cent of the managers of Islamic philanthropic organisations in 2004 thought that this taxation issue was of importance.[101]

Rather than pushing for this tax deduction, it seems that the advocates of *zakat* reform are reviving the proposal of state-enforced *zakat*, through the Tax Office. This is because, in Indonesia,*zakat* is widely regarded as tax. For example, Eri Sudewo believes that *zakat* should be enforced in the same way as the government enforces tax payment. Consequently, he thinks that penalties are necessary for those who avoid *zakat* obligations.[102] This view is shared by some LAZs, including the Lembaga Wakaf Zakat Salman (LWZ Salman). The advisory board of the LWZ, Samsoe Basaroedin, criticised the Zakat Management Law for not punishing those who evade *zakat* payment.[103]

KH. Didin Hafidhuddin has a slightly different view from Sudewo, however. Although he is of the opinion that *zakat* is best administered by the state or a state body, he does not agree with legalising the above penalties explicitly in *zakat* law for fear that the regulation would become counterproductive to the *zakat* movement.[104] He believes that it is better to disseminate the obligation of *zakat* persuasively. Hafidhuddin's opinion is shared by other Muslim leaders, including KH. Abdullah Gymnastiar and Quraish Shihab.[105] However, Hafidhuddin's opinion changed recently, due to his position at Baznas, which more or less voiced the interest of BAZs and MORA. At interviews and public hearings in parliament representing

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[99] In 2010 a tremendous corruption scandal of Gayus Tambunan, officer of the Tax Office, came into the open and this shocked the Indonesian public. It certainly increased the notoriety of the Tax Office and increased public distrust of the office.

[100] Tax numbers are regarded as being mainly for business people, public figures and the rich. More middle class people received tax numbers in 2009/2010 due to the policy of waiving airport tax for those could provide their personal tax numbers when they wanted to go abroad.

[101] See Appendix 4, Table 33.

[102] Eri Sudewo, email interview, 9 January 2008.

[103] Basaroedin, interview.

[104] KH. Didin Hafidhuddin, phone conversation and email messages with author, 01 February 2008.

[105] Their opinions were expressed during interviews with each of them.

Baznas regarding the amendment of Zakat Management Law, Hafidhuddin stated that *zakat* should be enforced on all Muslim citizens and those who violate the payment should be punished.[106]

Looking at the implementation of Baznas and tax deduction and the two ideas outlined above, *zakat* reform takes an uneasy position between demanding the "privatisation" of *zakat* and involving the state to institutionalise it. It keeps promoting and empowering private, community-based Islamic philanthropic organisations, realising that state-based *zakat* organisations would not perform well and would meet with resistance from the people, as happened during the New Order time. This awareness is strong among the majority of Reformist Muslims and LAZ advocates, thoughthe level of resistance of LAZs to state-based *zakat* management weakened somewhat after LAZ advocates discovered ways to reform state-based *zakat* agencies. Philanthropic reform, it seems, has adapted itself to the idea of further state institutionalisation of *zakat* as a realisation of Islamic *shari'a*.

Challenge to Zakat *Reform*

The opposition to state involvement in, and management of,*zakat* is not opposition to *zakat* itself. This section suggests that management of *zakat* by the state is not totally resisted, but is also not favoured.

Three different survey figures in Table 6.4 below show an increase in the level of participation of the payment of *zakat* and *fitrah* since independence. A 1967 survey by Herder Correspondent reported that *zakat* payments by Muslims in Yogyakarta were about half those of Jakarta,[107]these figures seeming to reflect a strong *abangan* ('nominal Muslim') tendency among people in Yogyakarta. In fact, the 1967 figures look much better than the negative statement by the Minister of Religious Affairs in 1960 when he claimed that only about 10 per cent Muslims were actively practising Islam (*santri*).[108]

Tempo magazine conducted a survey in 1988 and found that 88 per cent of Muslims paid *zakat*.[109]However, the figure reflects *fitrah* payment more

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[106] Internal resource states that Baznas should follow their main stakeholder, namely BAZs and also MORA. Hafidhuddin himself refused to talk in many forums regarding the position of Baznas related to the article on punishment.

[107] The report is mentioned in M.P.M. Muskens, *Indonesië, Een strijd om nationale identiteit* (Bussum: Uitgeverij Paul Brand, 1969), pp. 266-7.

[108] *Tempo*, 21 May 1988.

[109] Ibid.

Table 6.4 Percentage of *Zakat* and *Fitrah* Payment

	1967	*1988*	*2004*
Zakat	14% (Yogyakarta)		34.7% (national)
	30% (Jakarta)	88% (10 cities)	98.5% (national)
Fitrah	n/a		

Sources: M.P.M. Muskens, *Indonesië, Een strijd om nationale identiteit* (Bussum: Uitgeverij Paul Brand, 1969), 266-7; *Tempo*, 21 May 1988; and database of Islamic philanthropy for social justice (Appendix 4).

accurately than *zakat* payment because in some urban areas, [*zakat*] *fitrah* is also called *zakat*. The 2004 figure, which is based on a clear distinction between *fitrah* (*zakat fitrah*) and *zakat* (*zakat mal*) is more realistic and shows an increase in *zakat* payment. *Zakat*[*mal*] is claimed to be paid by 35 per cent of Muslims who are economically stable.

The 2004 survey shows that *zakat* and *fitrah* are most often practised in a traditional way, that is, for short-term consumption (rice and cash), andthe mode of payment also remains communal and traditional. It shows that 45 per cent of Muslims claimed to pay their *zakat* and *fitrah* directly to the beneficiaries (including local religious leaders), and 51 per cent paid through *zakat* committees in neighbourhoods and mosques. Only 5.4 per cent of Muslims claimed to pay their *zakat* or *fitrah* to BAZs and LAZs. These findings suggest that neither LAZs nor BAZs are yet accepted by the majority of Muslims.[110]

Various answers can be given to the question as to why BAZs and LAZs are not favoured by the majority of Muslims. First, most Muslims think that giving should be prioritised first to family (38 per cent) and then to neighbours (27 per cent).[111] Therefore, most *zakat* and *fitrah* are given directly to the poor and to neighbourhood *zakat* committees, as noted above. Second, the motive for giving *zakat, sedekah* and *waqf* is completely religious, with little concern as to how the donation is used. Third, Muslims tend to give their charity to persons or organisations they trust.[112] Accordingly, the idea of giving to modern organisations in order to eradicate poverty is not sup-

[110] Appendix 4, Table 3.

[111] Appendix 4, Table 17, and also 15.

[112] For example, 62 per cent of the respondents who claim to donate to organisations do not donate to institutions that they don't feel close to (Appendix 4, Table 11), and 63 per cent stated that they do not trust street charity (Appendix 4, Table 22).

ported by the majority of Muslims who live in rural areas and depend very much on their religious teachers and leaders. In these areas, there are not many Muslims who know about modern *zakat* organisations, as is shown in the case of Pesantren Berjan below.

In Berjan, the area where the Pesantren Berjan is located, most people refer to the opinion of the *kyai* for anything related with religion. The *kyai* himself, Kyai Chalwani, who is well educated and a member of parliament, is not familiar with recent philanthropic movements and ideas. According to him, Muslims in Berjan pay *fitrah*, but not *zakat*. The payment of *fitrah* by *santri* (students of *pesantrens*) is organised by the staff of Pesantren Berjan to be redistributed mostly to poor *santri*. Most Berjan villagers give their *fitrah* to the *kyai*, as a form of reciprocal giving. Kyai Chalwani agreed with this observation, saying that *kyai* usually received *zakat* and/or *fitrah*, but added that some of them also redistributed it to others in need. During big events, such as the annual commemoration of the death of the pesantren founders (*haul*), *tarekat* members and villagers meet Kyai Chalwani and hand over their *sedekah* or *zakat* to him. At general religious gatherings, most of the time, the *kyai* does fundraising either for the *tarekat* organisation or for the Pesantren. Berjan shows a picture of philanthropy which is shaped by the communal religious life of the villagers. State *zakat* collection through BAZs may not seem favourable to a*kyai* because it threatens this religious equilibrium in which they hold strong religious authority, and it also threatens their income.

The reluctance of Muslims to pay their *zakat* and *fitrah* to modern organisations may be for various reasons, including an inability to adapt to modern technology,[113] disagreement with modern interpretations of *zakat* and *fitrah* management, and resistance to or distrust of the state. Such resistance or distrust is shared among Muslims and is more hidden than public.

Opposition to Zakat *Management by the State*

As the Revivalist philanthropic efforts incorporate state involvement, it is important to find out the views of the general public and Islamic philanthropic organisations about state involvement in Islamic philanthropic matters. While there were unfortunately no specific questions on state

[113] Those who pay to neighbourhood and mosque *zakat* committees do this because of the nearby location and to follow custom (33 per cent and 27 per cent). Appendix 4, Table 4.

involvement in *zakat* in the 2004 Islamic philanthropy survey, we can refer, at least, to responses from Muslims on the question of *waqf*. These responses showed two different attitudes: a willingness to have a national body which deals with *waqf*, and a wish to avoid state control of *waqf*.[114] These attitudes parallel the responses from the managers of Islamic philanthropic organisations on the Zakat Management Law, 81 per cent of managers agreeing with the existence of the law on the grounds that it provides a legal basis for their work (39 per cent) and that it may expand *zakat* activities (35 per cent). Those who did not agree with the law (19 per cent) stated that it created bureaucratisation (41 per cent), threatened the independence of civil organisations (23 per cent), and was unimportant owing to the existence of religious law (27 per cent).[115]

The majority of managers also thought that state involvement in philanthropy was not important (52 per cent), 56 per cent of managers thought that the political and economic policy of the government had no effect on the amount of donations they collected, and 67 per cent thought that taxation was not an important issue.[116]

Although state involvement in *zakat* matters is not totally rejected by Muslim communities, there is not enough trust in state-based philanthropic organisations. The case of Bazis DKI as elaborated in Chapter 5 shows that *zakat* payment through the government is not favoured and has been implemented by "moral" coercion. However, the government employees could not openly reject the regulation. Their resistance is mainly hidden because the issue of *zakat* is related to that of morality, religious identity, and loyalty to the government.

As happened in the Bazis DKI, generally there is "hidden resistance" towards the management of BAZ. The involvement of the state in managing *zakat* through BAZs does not have grassroots support from communities, except from those civil servants who are urged to pay their *zakat* to BAZs through a salary deduction. This "hidden resistance" became evident when it turned into "open resistance," as happened in East Lombok regency (in West Nusa Tenggara Province), where open protests against the state-based *zakat* collection occurred on a large scale on October 10, 2005.

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[114] 72 per cent of respondents supported the necessity of having a national body for *waqf*. If there was a national body of *waqf*, 58 per cent of respondents stated that the government should be the regulator only, and that the manager of the body should be from the people. 19 per cent stated that the body should be fully controlled by the people. Appendix 4, Tables 19 and 20.

[115] Appendix 4, Tables 29 and 30.

[116] Appendix 3, Tables 27 and 33.

By local standards, especially those of a small West Nusa Tenggara province, the protest was massive. It was attended by about 4,000 teachers, who went on rallies for days on end, neglecting their teaching duties and protesting against the 2.5 per cent *zakat* that was deducted from their salaries. Additional strikes were held by members and board leaders of the East Lombok branch of the Indonesian Teachers Association (PGRI) on November 30 of the same year. About 1,000 teachers refused to teach until the deduction was discontinued.[117]

The rallies and protests were supported by civil servants and teachers since most of the teachers were civil servants themselves. The East Lombok PGRI organised the strikes, rallies and negotiations with the Regent and regional legislative assembly (DPRD) to challenge what it called "illegal" deductions in the name of *zakat*.[118] A leader of the protest stated that they were not against *zakat*, nor against the Perda Zakat, but against its being deducted. According to him,

> ... the deduction had been implemented without enough information, or consent, and—strangely—it also deducted salaries of PNS and teachers with very low incomes. Its aims and purposes were not clear. There were indications of personal interest. ...The deduction by the Regent Ali BD could not be regarded as an implementation of *shari'a,* but a salary deduction of 2.5 per cent without the consent of the teachers involved. In addition, Islamic law (which is based on the Qur'an and *hadith*) has set clear regulations, namely (a) *zakat* is due from those who are capable, (b) it is due when it reaches *nisab* and *haul*, and (c) it has clear recipients. It should not be based on the wish, intervention and intimidation of the Regent Ali BD. In this case, PGRI is against this injustice and the incorrect policy of the Regent. ... it was odd that the salaries of non-Muslim teachers were also subject to this deduction.[119]

This open protest was a culmination of the frustration of people at grassroots level with the way a local BAZ was managing *zakat* and of their awareness of *zakat* abuse by the incumbent ruler.

The protests finally succeeded, as the Governor of West Nusa Tenggara and the Ministry of Home Affairs issued a prohibition against such deduc-

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[117] "Ribuan Guru Lombok Mogok Mengajar," *Koran Tempo*, 2 December 2005; "Gaji dipotong, Seribu Guru di Lombok timur Mogok Mengajar," *Tempo Interaktif*, 1 December 2005, http://www.tempointeraktif.com/hg/nusa/nusatenggara/2005/12/01/brk,20051201-69968,id.html (accessed 8 April 2008); *Suara NTB*, July 2005.

[118] Yunuz, Spd, Deputy Chief of PGRI East Lombok, written statement to the author, 3 August 2008.

[119] Ibid.

tions.[120] Half of the amount that had been deducted from the salaries was returned to civil servants and teachers; the other half was still being demanded by the PGRI of East Lombok in 2008.[121] These rallies and protests succeeded because the demonstrators could distinguish between the issue of *zakat* and that of its wrong implementation. In addition they obtained support from Traditionalist leaders—including some MUI members—who have great religious authority among the people.[122]That matter of authority and respect was increased by the fact that the protesters were teachers, who have a significant social status in Indonesian society.

The case of East Lombok is a rare one but it shows a resistance to the implementation of *zakat* by the state—a resistance that is now open.

Hidden War: Amendment of Zakat *Management Law no 38/1999*

The development related to philanthropy from 2008 and 2010 shows a strong contestation between state and civil society. To be precise, a war-like situation existedbetween the two—a point that supports the argument of this book. The contestation is seen in the case of the amendment of Zakat Management Law. The amendment had been discussed in a public discourse since 2007 and was proposed and discussed formally in the Parliament since 2008. Finally it was passed into law in October 2011, after four years in contestation.

Four active stakeholders playeda direct and important role in the dynamics and debates of the amendment draft, namely (1) the Ministry of Religious Affairs (MORA), (2) FOZ and Baznas (3) the Parliament, and (4) the coalition of LAZs and NGOs (Gemaz). The last became involved later,at the end of 2009. It is a coalition created in response to the amendment of Zakat Management Law, supported mainly by the organisation, Indonesia Magnificence of Zakat (IMZ)—a research body under the Dompet Dhuafa. The name Gemaz stands for Gerakan Masyarakat Peduli Zakat (literally, Civil Movement which Cares for *Zakat*). The name also reflects a feeling of impatience toward the government's standpoint related to the amendment. Gemaz was created in September 2009 after a few months of consecutive meetings of the organisations and the individuals that are concerned with the future of Islamic philanthropy, following the amend-

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[120] Governor's decision no 180/417/KUM dated 3 December 2005 and Ministerial circular no 840/58A/SJ dated 9 January 2006.

[121] Yunuz, written statement. The deduction started in May 2005.

[122] A statement by TGH. Ahmad Hulaimi, a religious leader, dated 28 October 2005.

ment process. It consists of LAZs, study centres, NGOs, Islamic institutions, and philanthropy associations.[123]

The positioning of the above stakeholders in the debate has changed many times. Both MORA and Gemaz have quite a firm standing position, while the Zakat Forum, Baznas and the Parliament sometimes have moved around depending on issues. In the earlier stages, MORA dominated the discourse with its central bid to amend certain articles of the law. After the tragedy of *zakat* at Pasuruan in September 2008 that claimed lives of 21 people (mostly old women) due to an unorganised *zakat* distribution that led to a situation of chaos,[124]the general public tended to support the idea that the government supervise *zakat* collection and distribution. However, LAZs under the Zakat Forum and IMZ, took a leading position later in early September, leaving MORA behind the discourse. The Religious Affairs Committee (Komisi VIII) of Parliament has accommodated a rather ambitious draft bill proposed by the Zakat Forum, aiming to substitute the previous law with a brand new *zakat* law. Finally, the Indonesian Parliament was inclined to support the voices of LAZs rather than the government.

At this stage, both drafts covered four controversial issues: punishment for Muslims who evade the payment of *zakat*, reorganisation (or elimination) of certain *zakat* colleting bodies, tax credit, and the status of Baznas

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123 "Gemaz consists of CSRC (Center for Study on Religion and Culture) UIN Syarif Hidayatullah Jakarta, Indonesia Magnificient of Zakat (IMZ), YLKI (Yayasan Lembaga Konsumen Indonesia), YLBHI (Yayasan Lembaga Bantuan Hukum Indonesia), Dompet Dhuafa, Perhimpunan Filantropi Indonesia (PFI), PIRAC (Public Interest Research and Advocacy Center), YAPPIKA, ICW (Indonesia Corruption Watch), and PSHK (Pusat Studi Hukum dan Kebijakan). Besides coalitions with the above NGOs, Gemaz is supported by Islamic philanthropic organisations, such as RZ (Rumah Zakat), PKPU (Pos Keadilan Peduli Umat), Al Azhar Peduli Ummat, DPU (Dompet Peduli Umat) Daarut-Tauhiid, YBM BRI (Yayasan Baitul Maal Bank Rakyat Indonesia), BAMUIS BNI (Baitul Maal Umat Islam Bank Negara Indonesia), LAZIS (Lembaga Amil Zakat Infaq dan Shodaqoh) Dewan Dakwah, LAZIS (Lembaga Amil Zakat Infaq dan Shodaqoh) Muhammadiyah, BMM (Baitul Maal Muamalat), Lampung Peduli, and Dompet Umat Kalimantan Barat." See "Kertas Posisi Gerakan Masyarakat Peduli Zakat (GEMAZ) terhadap Rencana DPR dalam Revisi UU no 38 thn 1999 tentang Pengelolaan Zakat," Gemaz, July 2010, p. 1. The author was involved in the creation of Gemaz and was one of its resource persons. Later in 2012 Gemaz transformed into KOMAZ (Koalisi Masyarakat Zakat) and proposed judicial review of the Zakat Management Law.

124 It happened on 15 December 2008, in village of Purutrejo, Pasuruan. A wealthy local business person, H. Syaikhon distributed his *zakat* money. About thirty thousand people came to his house each expecting to get thirty thousand rupiah cash. The number was much more than what had been expected, while there were only about five people working to distribute the money. The tradition of personal distributing *zakat* like this happened in many places that used to result in injuries and a loss of life among the poor recipients of *zakat*. This Pasuruan tragedy can be claimed as the worst ever recorded.

(See Table 6.5 below). As expected, the drafts speak for themselves, shedding light on a war-like situation between the government, in this respect MORA and LAZs.[125]MORA's proposal sought to diminish the role of LAZs and even to abolish them, and conversely,the draft proposed by the Parliament attemped to reduce the role of the government in this respect MORA.

Table 6.5 Summary of *Zakat* Draft Bills Discussed in 2009

	Proposal from MORA (Amendment certain articles of Law no 38/1999)	*Draft of Commission VIII, Parliament* (A new zakat bill to replace Law no 38/1999)
1	Government imposes an obligation for each Muslim to pay *zakat* and will fine whoever evades its payment.	Government imposes an obligation for each Muslim to pay *zakat* and will punish or fine whoever evades its payment.
2	Government (MORA) becomes regulator and supervisor of *zakat* activities.	A national independent body is created to supervise and coordinate *zakat* activities. It does not collect *zakat*.
3	Government centralises the management of *zakat* from national, provinces, districts, to village level, through the state-based Islamic philanthropic organisation (BAZ). LAZs should merge into BAZs.	*Zakat* collection is managed by Islamic philanthropy organisations called LAZ, which operate from national level to provinces. Small *zakat* collecting bodies (UPZ) should operate under LAZs.
4	Criminal penalties for individuals or institutions that receive/manage *zakat* in addition to BAZ.	Criminal penalties for individuals or institutions that receive/manage *zakat* in addition to LAZ.
5	Tax credit for *zakat* payers.	Tax credit for *zakat* payers.

Source: 1. "Rancangan Amandement Undang-undang Republik Indonesia No 38 tahun 1999 tentang Pengelolaan Zakat", a copied draft prepared by MORA, dated December 2008; 2. "Rancangan Undang-undang Republik Indonesia No … Tahun … tentang Pengelolaan Zakat", a copied draft prepared by House of Representative, dated January 2009. The copy was obtained by courtesy of Arif R. Haryono, Advocacy Division of Indonesia Magnificence of Zakat.

[125] LAZs sought to get public support through seminars (see note 125 below), opinion writings and social network medias, such as Facebook. LAZs created many groups, such as "Jaringan Masyarakat Kampus Menolak Sentralisasi Zakat," <http://www.facebook.com/group.php?gid=192674180495&v=info#!/group.php?gid=193791307998> (accessed 23 March 2011), "All Facebooker Tolak Monopoli Zakat oleh Pemerintah," and one which received big support named "Gerakan 1,000,000 Umat tolak Pembubaran LAZ Dompet Dhuafa, PKPU, RZI dll," <http://www.facebook.com/album.php?profile=1&id=662532455#!/group.php?gid=192674180495> (accessed 23 March 2011). The membership of this group is 38,402. There was a Facebook account created to support MORA's position, entitled "Sentralisasi Zakat" with less than hundred followers in March 2010; however, this group has been removed.

MORA's draft abolished the existence of LAZs.It requires that all LAZs should merge into BAZs, otherwise they will not be allowed to operate. However, merging BAZs and LAZs is very difficult and unrealistic because each has a different sub-culture and working approach. LAZs which are more professional would not easily accept uniting with BAZs which are struggling with their failure to achieve capacity in management, accountability and effectiveness of *zakat* utilisation. MORA's draft endorsed the status of the government in regulating and supervising *zakat*, and the status of Baznas in coordinating and collecting *zakat*, which was under public criticism. Meanwhile the Parliament's draft sought to create an independent national body which only supervises and coordinates, without any involvement in collecting *zakat* money.

At this point, it is important to note that both drafts support the idea of the centralisation of *zakat* payment, one (MORA's draft) led by a state-based institution, and one (Parliament's draft) led by non-state institutions. Both MORA and the Zakat Forum have agreed on providing tax credits for *zakat* payers and imposing punishment for Muslims who evade the payment of *zakat*. Epistemologically, the last issue is popular among Revivalist Muslims who want to revive the history of Islam during the time of the Prophet and, specifically, the time of the Caliph, Abu Bakar Al-Siddiq, asserting that those avoiding *zakat* payments should be punished. This understanding is based for the most part on a zealous spirit of Islam yet one that is fragmented and shallow in reading the context upon which the case was built (See detailed discussion in Chapter 1). Neither is the draft of Zakat Forum consistent. On the one hand it wanted to revive the practice of Caliph Abu Bakar but on the other it did not want *zakat* to be implemented fully by the state. Eventually, both Revivalist and Islamist spirits became united with the bureaucratic spirit of MORA, which used to be dominated by Traditionalist Muslims.[126]

Both drafts provokeda range of discussions and writings,[127] eventually moving many activists and scholars to create Gemaz. Following public

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[126] The *zakat* director of MORA at that time was a lecturer and previous rector of IAIN Padang, who used to be a Muhammadiyah activist.

[127] There were at least three seminars questioning and criticising the draft amendments: "Kontestasi Agama dan Negara dalam Pengelolaan Filantropi Islam: Mengkritisi RUU Zakat," CSRC, 18 Maret 2009, "Haruskah LAZ Dibubarkan?" [Should LAZs be Abolished?] Trisakti University, 13 December 2009, and "Masa Depan Pengelolaan Zakat di Indonesia," CSRC, 28 January 2010. Media and public inclined to criticise MORA's proposal. Desi Susilawati, "LAZ tak Boleh Salurkan Zakat," Republika, 15 December 2009, <http://rol.republika.co.id/koran/33/95964/LAZ_tak_Boleh_Salurkan_Zakat> (accessed 17 March 2011), Amelia Fauzia,

debates thatseverely criticised the draft bill, Gemaz handed in its position paper on 15 June 2010 and proposed its draft of *zakat* law to the taskforce of *zakat* of Committee VIII. In this regards, Gemaz proposed three significant points for inclusion in the draft bill being finalised by the Parliament. First, there should be a separation of governance and functions into the roles of regulator, coordinator, operator, and supervisor. Second, sanctions should be imposed on organisations that violate the rules, not on an individual *muzakki*. Third, there should be a tax credit and tax exemption for *zakat* organisations.[128]

Gemaz's draft is concerned more with *zakat* organisations as civil society organisations. It represents a voice of Modernist Muslims, not of Muslims who are Revivalists and through the discussion the element of Revivalism in the discourse decreased. A few months after its formation, Gemaz disassociated from the Zakat Forum due to a difference in their positions, especially with regard to the punishment for those who evaded *zakat* payment, which according to Gemaz is counter-productive.[129]This split was hard because the back bone of Gemaz is Dompet Dhuafa, while the Zakat Forum is also a "product" of Dompet Dhuafa. However it was unavoidable. Interestingly, this split did not have any great impact on Dompet Dhuafa.

By July 2010, a revised parliamentary draft was published, which removed the article on punishment on those evade *zakat* payment. (See the summary of Gemaz's draft and the revised Parliamentary draft in Table 6.6).

Although the draft of Commission VIII (of the Indonesian Parliament) has given up its support for the article on punishment, compared to the draft of Gemaz, it still provides a high level of bureaucratisation of the *zakat* supervising body. The draft also diminishes the role of small *zakat* collecting bodies and committees which are based in neighbourhoods, mosques and *pesantrens*,where they are not allowed to collect *zakat*. This last point is very critical because the majority of Indonesian Muslims traditionally give their *zakat* to those community-based institutions,

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"Centralising Zakat – The Wrong Solution," CSRC, 18 December 2009, <http://www.csrc.or.id/artikel/index.php?detail=20091218134824> (accessed 17 March 2011).

128 Internal discussions of Gemaz, between March to June 2010. Masyarakat Ekonomi Syariah, 22 June 2010,<http://www.ekonomisyariah.org/?page=newsview-en&command=detail&sheet=6&id1=386> (accessed 14 March 2011).

129 The Zakat Forum remains willing to sit in the coalition of Gemaz, but it did not want to give up one of its positions which is supporting the punishment of *muzakki* who evade zakat payment. It was a tricky situation because the leadership of the Zakat Forum also includes one of the directors of Dompet Dhuafa.

Table 6.6 Summary of *Zakat* Draft Bills Discussed in 2010

	Revised Draft by Commission VIII	*Draft Proposal from Gemaz*
1	The name of the Bill is "Zakat, Infak and Shodakoh"	The name of the Bill is "Management Zakat, Infak and Sedekah"
2	Sanctions will be imposed on organisations violating *zakat* regulations, not on individual Muslims.	Sanctions will be imposed on organisations violating *zakat* regulations, not on individual Muslims.
3	Government (MORA) only functions as regulator and coordinator of *zakat* activities.	Government (MORA) only functions as regulator and coordinator of *zakat* activities.
4	Independent bodies to supervise and coordinate *zakat* collection at national level, provinces and districts should be created. They are called Body of Zakat, Infak and Shodakoh Management, (Badan Pengelola Zakat Infak dan Sedekah – BPZIS).	An independent body to supervise and coordinate *zakat* collection at national level should be created, called the Zakat Commission (Komisi Zakat).
5	The authority of BPZIS is, among others, to issue a*zakat* number for each Muslim (Nomor Pokok Wajib Zakat), and investigate accreditation of LAZs following certain requirements.	There is no bureaucratisation of the*zakat* supervising body (namely Komisi Zakat) in provinces and districts. The Komisi Zakat minimises and simplifies the registration of *zakat* organisations and committees.
6	*Zakat* collection is managed by Islamic philanthropy organisations (LAZ) which operate at national level, and at the level of provinces and districts. Its level of LAZ should meet certain requirements. Small *zakat* collecting bodies (UPZ) should operate under LAZs.	Zakat collection is managed by Zakat Collecting Organisations (Organisasi Pengelola Zakat – OPZ) without coordination between national, province or district OPZ. Small *zakat* collecting bodies and committees are still permitted to operate.
7	Criminal penalties for individuals or institutions that receive/manage *zakat* in addition to LAZ.	Any organisation collecting zakat should have registered with the Komisi Zakat.
8	Tax credit for *zakat* payers.	Tax credit for *zakat* payers.

Source: 1. "Rancangan Undang-undang Republik Indonesia No 38 tahun 1999 tentang Pengelolaan Zakat, Infak dan Sedekah", a copied draft prepared by Gemaz, dated June 2010; 2. "Rancangan Undang-undang Republik Indonesia No … Tahun … tentang Pengelolaan Zakat, Infak dan Shodakoh", a copied draft prepared by House of Representative, dated July 2010. The copy is obtained by courtesy of Arif R.Haryono, Advocacy Division, Indonesia Magnificence of Zakat.

neighbourhood *zakat* committees, and *kyais*. In essence, the revised parliamentary draft does not concern small grass-roots organisations and

their tradition, but is concerned with how to collect as much *zakat* as possible through state-based philanthropic organisations (Baznas).

Despite public debates on the substance of the *zakat* amendment, the legislation of this amendment was very complex. First, the performance of the parliament is not at all good. The draft of *zakat* amendment has been on the table since 2008, and since 2009, the Parliament set an annual target to finish and enact the bill. However, out of 70 draft bills proposed in 2010, parliament only produced seven laws.[130] Second, MORA seems not easily to give up its proposal. In fact, it has power to interfere with the parliament. Third, the Ministry of Finance also has an interest in the bill as it opposed the article on tax credit.

In 2011, however, the stakeholder composition in contesting the bill changed. The MORA (supported by Baznas) and Committee VIII joined together to hold many private meetings to discuss the bill. While previously the parliament led the discussions, now the MORA took the leadership. With these discussions being held in private there was no release of the bill to the public. It was only in October 2011 that the parliament held a general public meeting where it passed the law and the new Zakat Management Law number 23/2011 replaced the old one, number 38/1999.

Zakat Management Law no 23/2012 (see Appendix 7) adapted the Draft of MORA but there are controversial aspects and articles from the law. It focuses on Baznas as a non-structural government body that functions as the national organisation for Islamic philanthropy (Chapter II, sections 1-3), either at central, provincial or district level; this makes the law called the Law of Baznas something of a joke. Unlike other government bodies, the position of Baznas is not clear when considering whether it functions as an independent body (a non-structural body, responsible to the President) or as a government body (under the Ministry of Religion and responsible to the Minister).

The law also positions LAZs as an aide of Baznas (Chapter II section 4) with an unusual new requirement that LAZs should be registered as Islamic mass organisations (organisasi masyarakat Islam – ormas Islam) such as Muhammadiyah and Nahdlatul Ulama.This requirement will prevent many professional LAZs from operating because their legal entity is as a foundation (*yayasan*), and unlike Islamic mass organisations, LAZs do not have followers.

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[130] From target of 70 draft bills, the House only finished and legalised seven of them. Pers Release, "Pernyataan Sikap GEMAZ menyikapi RUU Pengelolaan Zakat di DPR," IMZ, 24 September 2010, <http://imz.or.id/new/press-release/425/pernyataan-sikap-gemaz-menyikapi-ruu-pengelolaan-zakat-di-dpr> (accessed 16 March 2011).

Another controversial aspect is related to the prohibition against, and criminal penalties for, individuals or institutions (except Baznas and its aide-registered LAZs) with regard to receiving/managing *zakat mal* and *fitrah* (Articles 39 and 41). This prohibition is against the tradition and nature of *zakat* practice by which most Muslims used to give their *zakat* and *fitrah* to mosque-based *zakat* organisations and neighbourhood *zakat* committees. It would be illegal for mosque-based *zakat* organisations and individual *amil* to manage *zakat* and *fitrah*. Instead they are forced to become *zakat* collector units (Unit Pengumpul Zakat—UPZ) under Baznas which works only to collect *zakat*, and not to distribute it. This UPZ may not easily have been accepted by both *amil* and *zakat* payers as they wanted to make sure *zakat* collection was being distributed to the right beneficiaries.

Based on these controversial articles, Gemaz and several organisations prepared a judicial review against this new law. Dompet Dhuafa somehow supported a critical assessment of the law through many public seminars[131] and the proposal for judicial review was submitted on the 16th of August 2012[132] by the Coalition of Zakat Community (Koalisi Masyarakat Zakat—KOMAZ). This coalition has been largely supported by national LAZ such as Dompet Dhuafa and Rumah Zakat, local LAZs, mosque-based zakat organisations, and academics. This judicial review of the Zakat Law became "an open war" between civil society and the state.

The amendment debate and the law had a significant impact within the development of Islamic philanthropy in Indonesia. The pressures and the "threat" from MORA to eliminate LAZs, haveforced big LAZs such as Dompet Dhuafa to transform their institutions into humanitarian foundations. Being a humanitarian foundation made it possible for them to survive even better than being LAZs because they could carry out fundraising for any cause including the collecting of *zakat*. This position will save them, whether or not the legal basis of LAZs changes through the amendment. Three LAZs have been successful in extendingtheir legal status not only as LAZs but also as humanitarian foundations. They are Pos Keadilan Peduli Umat, Dompet Dhuafa, and Rumah Zakat. They began this effort especially when they learned about the amendment. In November 2011 Dompet Dhuafa (as a foundation) launched its LAZ called LAZ Dompet Dhuafa, somehow to declare that it focuses on its humanitarian intentions, and not

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[131] One of the seminars was in Padang. *SumbarOnline*, "UU Pengelolaan Zakat Perlu Judicial Review," 30 May 2012,<http://www.sumbaronline.com/berita-10419-uu-pengelolaan-zakat-perlu-judicial-review--.html>(accessed 12 August 2012).

[132] The case no 86.PUU-X.2012

its LAZ status.[133]The most successful of these is Rumah Zakat, which now consists of three bodies: a corporate foundation, a *zakat* collecting body, and a humanitarian organisation. Its income is growing fast, especially from the CSR of non-religious corporations.

This trend presumably will become stronger among large LAZs. In fact, more large LAZs may gradually transform themselves intofoundations and corporations that target their fundraising on *non-zakat* resources, such as *sedekah*, *waqf*, CSR donations,[134] and humanitarian donations. This development is far more promising. From an exclusive focus on *zakat*, some Islamic philanthropy organisations have transformed themselves into professional and international institutions, which are rational and more inclusive. However, some LAZs will remain consistent with their original approach which may be Dakwahist (such as Lazis Muhammadiyah) or Islamist (such as Lembaga Wakaf Zakat Salman). In this respect, the future development of Islamic philanthropy will see more contestation not only between civil society organisations and the state, but will also highlight distinctions between different epistemological and socio-political distinctions.

Conclusion

The post-New Order period has seen a social movement in philanthropy advanced by Modernist and Revivalist Muslims. The movement aimed to Islamise society and to some extent also to Islamise the state. It has been supported by educated middle-class Muslims who have established LAZs and are in favour of state involvement in philanthropy. The movement is based in urban communities and some of its supporters belong to Revivalist *da'wa* organisations. In the *Reformasi* period, this philanthropy movement was stimulated by Islamic resurgence movementsfrom outside the country as well as by social and political circumstances within the country. It was a movement that took its religious basis directly from core Islamic sources and that adopted a simple *fiqh* of philanthropy which is appropriate to modern life. The movement has been dominated by Revivalist Muslims who aspire to revive *zakat* as in the time of the Prophet and the Rightly-Guided Caliphs.

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[133] The author attended the launch which was deliberately held in the hall of Ministry of Religion. Dompet Dhuafa also invited high officials from the ministry.

[134] Large corporations have corporate social responsibility (CSR) sections and resources.

The post-New Order period also shows strongly ambivalent civil society organisations that contestthe state, either using the state to enforce the faith or seeking to prevent the state from interfering with philanthropy. Revivalist and Islamist Muslims obtained bargaining power to enforce their Islamisation agendas through a weak state. However, success in forcing a certain agenda into state legislation did not necessarily mean that the agenda could be implemented successfully.

This chapter shows that state bureaucratisation can become a hindrance, especially in a weak state. A weak state usually has a weak administration. Another problem is the challenge from Traditionalist Muslim leaders and from traditional customs generating philanthropic practice. The practice of giving in Indonesia is still very much part of a communal culture. Efforts to change this tradition cannot be successful if they are focused on the philanthropic sector only. The practice of giving is related to many other sectors, such as the economy, education, and politics. Yet another problem is the involvement of the state. As long as the majority of the community still remembers the experience of state hegemony during the New Order, attempts to use the state will not easily receive support because distrust of the state creates opposition to any state involvement in philanthropic practices. Such opposition from civil society organisations towards the involvement of the state was successful during the New Order period.

However, in the *Reformasi* period the state, which in the beginning was very weak, could gain power and became an active actor in the amendment of the Zakat Management Law. The parliament passed the draft of the law that belonged to MORA by 2011 and though, in this case, the judicial review was still ongoing as of the end of 2012, the state won the legal contestation against the civil society organisations. It shows that after a decade of the *Reformasi* period the Parliament was weak. MORA's vision in centralising the *zakat* collection under the Baznas was not following the view of the Islamists—namely to follow the path of the Prophet—since most of MORA's officials were from Traditionalist Muslims, but it pragmatically wanted to pool the philanthropic funds for common good.

Finally, there is a twist in the philanthropic movement. On the one hand, the movement seeks freedom and is thus critical of the government, but on the other hand, it seeks to use state systems to impose "faith" behind the agenda of philanthropy. The second effort contradicts the first and poses a threat to the movement's development. Post-New Order developments show a contestation between those trying to involve the state in support of Islamic philanthropy and those opposing any state involvement.

CHAPTER SEVEN

CONCLUSION: PHILANTHROPY AND MUSLIM CIVIL SOCIETY

This book has shown that the history of Islamic philanthropy in Indonesia is characterised by an ongoing dialectic between the prerogatives of religiosity and secular state power, and between individual spirituality and the public realm. The realms of public life and the state have furthermore been the sites of continuing contestation, especially in modern times, between Muslim civil society groups who want to impose formal Islamic law and those who want to maintain the secular state.

The tilt of this balance, whether to the "right" or the "left," has mainly depended on the power of the state. When the state has been weak, philanthropy has developed in a powerful way and has been used to challenge the state. When the state has been strong and powerful, Muslim civil society was weak but still found ways to use philanthropic practices as a means of supporting social change. However, there is an exception to the equation that a strong state inevitably produces a weak civil society, or that a weak state produces a strong civil society. This exception is the colonial period, when the state was strong yet philanthropy as a privatised civil society activity was also strong as a result of the colonial government's non-interference in religious affairs.

In this chapter I will make some concluding remarks on how the balance has tilted in the activities of Islamic philanthropy in Indonesia, and on the importance of philanthropy as part of civil society there.

The Balance between "Privatisation" and State Institutionalisation

Philanthropic practices have become a battleground for various interests and agendas, such as Islamisation, the maintenance of patron-client relationships, and the provision of "salaries" for religious officials. Although there is not much historical documentation regarding practices of philanthropy in Indonesia before modern times, it is obvious that *zakat, sedekah* and *waqf* have been practised in the archipelago and have undergone changes to adapt to the needs of Muslims. From Islamic monarchs to Dutch colonial rulers and through the time of Indonesian independence, there have been different levels of development of, and interest in, Islamic phi-

lanthropy, whether from the rulers or from within Muslim civil society. Through these periods, there has also been a tentative balance between "privatisation" and the state institutionalisation of philanthropic activities. "Privatisation" means that *zakat, sedekah* and *waqf* are voluntarily practised by Muslims without state involvement, but not strictly separated from the state. The resources from these practices are used to benefit voluntary associations, poor families, local Muslim leaders and non-state institutions such as schools and hospitals. State institutionalisation points to the involvement of state power in the activities of philanthropy, particularly *zakat*, and includes the creation of state-based philanthropic organisations, the establishment of specific state bureaus to control these activities, the centralisation of *zakat* management, and the enforcement of *zakat* payment. Throughout the centuries, a degree of balance has prevailed, as I shall summarise in the following paragraphs.

During the time of the Islamic city-states and monarchs, before the nineteenth century, Islamic philanthropy was practised both privately and through state institutionalisation, depending on the style of Islamisation and the interests of the rulers (Chapter 2). In dealing with *zakat* for example, rulers applied different approaches, ranging from recognising *zakat* as the moral obligation of the people towards the kingdom (leaving *zakat* as a fully voluntary practice) to stressing taxation rather than *zakat*. The rulers used *zakat, sedekah* and *waqf* to further their interests, especially when emphasising patronage between the ruler and the Muslim community.

The seventeenth-century Sultanate of Aceh practiced *zakat* following the models of the Ottoman and Mughal empires in the separation of *zakat* into both private and public realms. The *fiqh* (Islamic jurisprudence) of *zakat*—which became generally practised—showed that rulers have rights to collect only certain kinds of *zakat*, mainly on agricultural and trade items, leaving the *zakat* due on other possessions (such as gold) to be carried out privately. As the power of Islamic monarchs weakened and was replaced by the Dutch colonial administration, the practice of philanthropy was left to the patronage of local Muslim leaders and religious teachers.

The private character of Islamic philanthropy, including *zakat*, continued and was supported by the Dutch colonial administration under its secular or neutral policy whereby religious matters were separated from the state. Although it could not be fully neutral,[1] the Dutch government

[1] H. Aqib Suminto, *Politik Islam Hindia Belanda: Het Kantoor voor Inlandsche Zaken* (Jakarta, LP3ES, 1985).

tried its best to keep religious issues in the private domain and accordingly prevented its staff from interfering in Islamic philanthropic matters. However, infringements (whether by native or Dutch staff) in *zakat* and *fitrah* payment and the use of mosque funds could not be totally eliminated. As the colonial state was powerful, philanthropic activities were officially recognised as non-state activities without any interference from state institutions. Before the twentieth century, philanthropic resources went to support religious leaders and non-state socio-educational institutions, mainly mosques, *madrasah*, and *pesantren* (Chapter 3). This colonial period provides an exception to the general assumption that if the state is powerful, civil society will be weaker. In fact, Muslim civil society charitable activities were strong because the colonial government did not want to get involved in religious activities and Muslims did not want the non-Muslim state involved either. In this way, perhaps, colonial rule unintentionally strengthened the philanthropic activities of civil society.

This strong colonial power, however, could not avoid the wave of Islamic reform movements, known as Modernism, that developed and strengthened in the archipelago in the early twentieth century. The movement mobilised the establishment of Islamic (voluntary) organisations, working mostly in the social (as opposed to political) domain. One of these organisations, Muhammadiyah, pioneered change in the traditional practice of *zakat, waqf* and *sedekah* to adapt to modern needs (Chapter 4). This reform of philanthropy successfully produced modern educational institutions, hospitals, and orphanages that mostly operated without intervention (but often with financial support) from the government. Even though Muhammadiyah appealed for and obtained more government funding of their schools because they saw that Christian and Catholics schools received generous funding, such funding was regarded as insignificant and was seen as the state commitment toward public education.

Apart from the modern charitable practices achieved by Modernist Muslims, traditional practices of *zakat* and *waqf* were still being preserved by Traditionalist Muslims. The Modernists were more involved in philanthropy and were more accommodative towards state involvement, whereas the Traditionalist Muslims, represented by Nahdlatul Ulama, were less active in philanthropy and less accommodative to the state. Both groups were Muslim civil society organisations which had control over Islamic philanthropic practices.

Following the departure of the secular, colonial administration, philanthropy in independent Indonesia has maintained a balance between reli-

gious power and that of the state (Chapter 5). The pre-1965 Old Order government—which was controlled mainly by secularists —tried not to become involved in *zakat, fitrah, waqf*, and mosque funds, but recorded them under the administration of MORA. Although MORA may be regarded as accommodating Islamic voices, it functioned as an administrative service which to some extent tried to accommodate Traditional Muslims within the modern nation state.[2] However, the registration was poor and it could not control those charitable practices which were essentially under the control of Muslim Traditionalist and Modernist leaderships. Under the secular government, Modernist Muslims expanded their philanthropic works, supporting universities and *pesantren* with *waqf*, establishing religious and non-religious charitable organisations, and supporting the newly independent state which was poor. The spirit of *gotong royong* (working together)—an old tradition of Indonesian philanthropy that had been revived and used in the struggle against Dutch colonialism and towards the development of the new nation-state and government—might have blurred the line between state responsibility and citizens' philanthropic efforts. This spirit had been invoked from time to time either in state campaigns or in civil society movements for social change.

The state's involvement in *zakat* started seriously from the New Order regime, which responded to demands from Muslims to introduce state-based *zakat* agencies and government regulations on Islamic charities (Chapter 5). The New Order government, which was controlled by military personnel, in fact played with an Islamisation card. It kept grass-roots Islamisation under the regime's control in order to enhance a social control, eliminate Communist influence and undermine the influence of Nahdlatul Ulama.[3] The New Order regime supported philanthropic activities, especially *zakat*, under its developmental ideology. It left *zakat* collection to be organised at provincial level, under the control of its governors, who were military personnel. In addition, President Soeharto worked as a personal collector of *zakat* to show that personal faith could be implemented under the state. However, Soeharto's attempt to take over and modernise *zakat* was totally unsuccessful due to the strength of civil society. Yet although his personal interest in *zakat* declined, his efforts with *sedekah* were suc-

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[2] See for example the explanation of the Ministry of Religious Affairs about the position of religion in the ministry. KH. A. Wachid Hasjim, "Kedudukan Agama dalam Kementerian Agama" [Position of Religion in Ministry of Religion] in *Penjiaran Kementerian Agama* (Yogyakarta: Pertjetakan Kita, 1951).

[3] M.C. Ricklefs, *Islamisation and its opponents in Java: A political, social, cultural and religious history, c. 1930 to the present* (Singapore: National University of Singapore Press; Honolulu: University of Hawai'i Press, 2012).

cessful. He "forced" the donation by civil servants of a small amount of their salaries to his own charitable foundations (*yayasan*), which to some extent benefited him, his family and cronies.[4]

The New Order government indirectly supported the development of a state institutionalisation of Islamic philanthropy through the establishment of state-based *zakat* (philanthropic) agencies under the provincial governments (Chapter 5). These agencies suffered hidden opposition from Muslim communities and could not compete with or replace the deep-rooted traditional charities led by Muslim Traditionalist leaders or modern Muhammadiyah activities of philanthropy. The New Order's accommodation of Islam became stronger in the last decade of Soeharto's term, and the global Islamic resurgence movement was growing. This policy opened public space to the growing Islamic philanthropic organisations on a national level. One such organisation was Dompet Dhuafa, which led philanthropic reform in the period of *Reformasi*.

The balance continued in the *Reformasi* period with strong civil society movements which played a crucial role in bringing the New Order regime to an end. The *Reformasi* government was weak, and Islamic philanthropic activities were on the rise, led by Revivalist Muslims. The power of Islamist Muslims, who wanted to modernise philanthropy as well as Islamise society and the state, resulted in the intensification of the state institutionalisation of *zakat*. However this effort was contested by other Muslim groups, including Modernists and Traditionalists and by secularists (Chapter 6), and the modernisation of Islamic philanthropy still only touches a small percentage of urban Muslims, in spite of the growing number of modern philanthropic organisations.

Philanthropy and Muslim Civil Society

The above balance was made possible by the emerging power of Muslim civil society groups which, in their own interpretation of Islamic philanthropy, had located it in a contested discourse between reform and tradition and Modernist and Revivalist Muslims worked to purify and modernise the practice of philanthropy as a means of Islamising society. The scale of all this is considerable. No other Muslim organisation in the world is com-

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[4] On Soeharto's various foundations see George Junus Aditjondro, *Korupsi Kepresidenan: Reproduksi Oligarki Berkaki Tiga: Istana, Tangsi, dan Partai penguasa* (Yogyakarta: LKis, 2006).

parable to Muhammadiyah's achievement in establishing 11,666 philanthropic and non-profit institutions (*amal usaha*)[5] spread out across the nation. Revivalist Muslim groups (Islamists) also inclined to Islamise the state through the struggle to introduce *zakat* collection under a central government administration, based on their interpretation of *zakat* as an "Islamic tax" that would not function effectively except through enforcement by state power. This view has been contested however by secularists, Traditionalist Muslim leaders and also Modernist Muslims, based on three considerations. First, they have different interpretations of *zakat* and do not regard it as an "Islamic tax." Second, they do not support the notion of the Islamic state, and stress that Indonesia is not an Islamic state. Third, they respect the idea of "privatisation" and of maintaining the traditional customs of Muslims. In reality, the Traditionalist Muslim leadership still dominates Muslims' practices of philanthropy, as is shown by the 2004 survey of Islamic philanthropy.[6]

Due to its significance for Muslims, Islamic philanthropy has become a political and economic commodity. This picture is not unique to Islamic philanthropy. As can be seen from various periods, cultures, nations, and religions, philanthropy has become a political commodity for power-holders, functioning as a system of patronage, and offering an image of the piety of those in power through their protection of the people. In Islamic societies in the Middle East and South Asia, the *waqf* institution has been much more important than in Indonesia in its support and funding of society, and has also been used by both rulers and civil society groups to further their own interests. In the Indonesian archipelago the story is quite different.

Although *zakat*, *sedekah* and *waqf* have mostly fitted in with this patronage system from pre-modern times, *zakat* has become much more important in modern Indonesian society, and it would seem that *zakat* has been important to all the major stakeholders of Muslim communities, from Traditionalist leaders to Islamists, and including the state. Among Traditionalist leaders, *zakat* has been used as a form of religious patronage and economic commodity at regional and local level, serving local religious leaders who are independent from the state. Among Modernists and Revivalists, *zakat* has become an important issue for the purification of religious life as well as for the modernisation of the community and Modernist

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[5] Data Amal Usaha Muhammadiyah 2010, supported by Nurhadi Antoro, Documentations of Muhammadiyah Central Board, Yogyakarta, 13 March 2011.

[6] See the discussion in Chapter 6 pp. 152-4 and the survey figures in Appendix 4.

and Revivalist Muslims want to change the function of *zakat* from the patronage tradition into a means of economic empowerment, by modernising *zakat* and *fitrah* practices. For Islamists, *zakat* is an important part of Islamic society that must be managed centrally by the state. For the state, *zakat* and other Islamic philanthropic forms yield significant economic resources, which can be used for the welfare of the nation, without taking resources from the government's "pocket." At the same time, adopting *zakat* may also be a means of winning the hearts (and votes) of Modernist and Revivalist Muslims and the majority of the Muslim population. *Zakat* has been and will continue to be an important "commodity" in Indonesia.

The economic value of *zakat, sedekah,* and *waqf* cannot be underestimated. Modernist and Revivalist Muslims mostly use abstract mathematical calculations of the ideal amount of *zakat* collection and in the *Reformasi* era they received support from the government to transform the "misuse" of resources. Economic values vary, from *fitrah*, which is about 3.5 litres of rice per person, to *waqf* of land, which may reach millions of rupiah. Modernist and Revivalist Muslims mostly rely on economic calculations of how much money would be collected if every Muslim paid *fitrah* and if every rich Muslim paid *zakat*[7]—the same calculation as was used by Soeharto to estimate the *zakat* collection in 1968[8] and *sedekah* collection for his foundations.[9] There is nothing wrong with these calculations except that they are often based on overly optimistic expectations. For Traditionalist Muslims, the potential social impact of *zakat* does not really mean anything. In fact, the modernisation of *zakat* is not preferable because the practice of *zakat* and *fitrah* is strongly engaged with personal and cultural matters, especially the interaction of individual Muslims with religious leaders. Modernisation may also reduce the economic privilege as well as the political authority of Traditionalist leaders in the community.

These conditions produce the balance between private religiosity and the public realm, or between civil society and the state. Islamic philanthropy in Indonesia has served as a significant element in maintaining

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[7] For example, see Eri Sudewo, "Potensi Zakat Indonesia" [Potencies of *zakat* in Indonesia], in *Politik Ziswaf* (Jakarta: Piramedia, 2008).

[8] Soeharto, *Agama dalam Pembangunan Nasional: Himpunan Sambutan Presiden Soeharto* (Jakarta: Pustaka Biru, 1981).

[9] Soeharto, *Pikiran, Ucapan, dan Tindakan Saya: Otobiografi*, [Soeharto, my thoughts, words, and deeds], as told to G. Dwipayana and Ramadhan K.H (Jakarta: Citra Lamtoro Gung Persada, 1989).

civil society, as has also been the case in other societies[10] and the discourse of civil society cannot in this case be detached from religion. Just as there are religious discourses that diminish the growth of civil society, so also are there discourses that empower civil society. The history of American philanthropy, for example, owes a debt to the role of religious philanthropy in the story of the "Good Samaritan," which also contributed to the history of its democracy.[11]

Some works by European scholars on Islamic civil society organisations have shown that there is civil society in Islam,[12] which understandably cannot easily be seen in many Middle Eastern Islamic communities under the iron grip of despotic rulers,[13] albeit that one survey at least suggests that ideals of democracy are present in these places even where it does not look strong enough to rise against these repressive rulers.[14] However, recent developments in the Middle East in 2011, such as in Tunisia, Egypt, Libya, and Saudi Arabia show that civil society movements are growing. From the protest of a common citizen, Mohammed Boauzizi, Tunisian civil society succeeded in ousting President Zine El Abidine Ben Ali on 14 January 2011, and that same wave of a civil society movement rose in Egypt and toppled Hosni Mubarak's regime in February 2011.

In Indonesia Islamic philanthropy is deeply rooted in the society and has been preserved by Traditionalist, Modernist and Revivalist Muslim civil society groups. There is an indication that some Revivalist-Islamist groups are inclined towards a more political approach to imposing their version of Islam in society, by means of subduing the coercive power of the state but this movement represents a certain irony, since the Islamist agenda was previously established as independent of, or even a contender to, the state. While a strong state could prevent an accumulation of such power by religious leaders or even Islamists, a weak state could not. Instead

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[10] For examples *Women, philanthropy, and civil society*, edited by Kathleen D. McCarthy (Bloomington: Indiana University Press, 2001), Kathleen D. McCarthy, *American Creed: Philanthropy and the Rise of Civil Society 1700-1865* (Chicago: University of Chicago, 2003).

[11] Lawrence J. Friedman and Mark D. MacGarvie eds., *Charity, Philanthropy, and Civility in American History* (Cambridge University Press, 2003).

[12] Among others see Robert W. Hefner, *Civil Islam: Muslims and Democratization in Indonesia* (Princeton: Princeton University Press, 2000) and Augustus Richard Norton, ed. *Civil Society in the Middle East.* Vol I and II. Leiden: E.J. Brill, 1995, 2005.

[13] John O. Voll and John L. Esposito, *Islam and Democracy* (New York: Oxford University Press, 1996).

[14] Riaz Hassan, *Inside Muslim Minds* (Melbourne: Melbourne University Press, 2008), also Fares Al-Braizat, "Muslims and Democracy: an Empirical Critique of Fukuyama's Culturalist Approach", *ICJS* 43, 2002, no 3-5, pp. 269-99.

a weak state offers a great opportunity for any person or group that should wish to exert control over it in order to implement their religious agenda. Even if Islamist groups, for example, could control the state to impose the obligatory payment of *zakat*, the weak state administration would not be able to enforce it successfully. In addition, one should not underestimate the potential resistance from Islamic leaders who speak for grassroots communities. Therefore, the agenda of the Islamists seems useless in its appropriation of coercive state power since their vision of Islamising society is better implemented through a "bottom-up" approach facilitating the establishment of strong civil society groups.

The orthodox interpretation of how to use philanthropic resources is also contested here. It is true that there are some Muslim groups and Islamic organisations that support Islamic terrorist organisations, but the number is very small.[15] Compared to the majority of Islamic charitable practices that are directed for public needs (social, educational, health and economic programs) the percentage of alms given to (let us say) funding terrorist aims is insignificant. The 2003/4 Philanthropy for Social Justice survey includes *jihad* as one of its choices for preferred charitable causes in order to ascertain the opinions of Muslims on this controversial issue, which may have been taken up by Islamic *jihadists*. Only 0.9 per cent of respondents thought that *jihad* was the most popular philanthropic form in the country.[16] Even Islamic philanthropic organisations that may be regarded as having strong Islamist constituents, such as PKPU, refuse to support radical factions that are involved in religious and ethnic conflicts.[17] The survey data also disproves the allegation that Islamic philanthropic organisations receive significant funding from Islamic organisations abroad, since only 4.4 per cent of organisations received funding from Arab donors and 10 per cent from other Islamic donors (either local and abroad).[18] In fact, they are mainly supported by *sedekah, zakat, waqf*, and donations from local leaders.[19]

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[15] J. Millard Burr and Robert O. Collins, *Alms for Jihad Charity and Terrorism in the Islamic World* (New York: Cambridge University Press, 2006), p. 1. From about 6,000 (which is a conservative number) registered Islamic charities in the US, 14 were said to be associated with Al-Qaida in 2004.

[16] Appendix 4, Table 16.

[17] See Chapter 6.

[18] Appendix 4, Table 25.

[19] Ibid.

"Uncivil" aims of philanthropy—to use Hefner's term[20]—do not have enough justification and support, particularly in professional or modern organisations which strongly engage with the community and are accountable and transparent. The more transparent the philanthropic organisation, the more likely it is to abandon "uncivil activities," and the more support it will get from their communities. Modernisation and professionalisation have also opened up more opportunities for the involvement of women within Islamic philanthropic organisations.

This book finds that civil society has been maintained by the practice of philanthropy. When the state is strong, the discourse and practices of philanthropy are maintained in grass-roots traditions, while under a weak state they grow to challenge the government. The balance between faith and the state has been maintained this way. Meanwhile, Indonesian Muslims cannot be excluded from global Islamic resurgence movements that have intensified Islamic identity. For that reason, the tensions between the state and Muslim philanthropic organisations have not declined, and it is unlikely that they will do so in the near future as Islamic philanthropy, particularly *zakat*, becomes an increasingly important part of Indonesian Muslim identity.

[20] Hefner, *Civil Islam*.

APPENDICES

APPENDIX ONE

LIST OF BALANCES OF MOSQUE FUNDS BY SEPTEMBER 1920

Residencies	*Regencies*	*Dutch Guilders**	*Fees of Marriage in guilders*
1. Banten	Serang	743	Marriage: from 2.00 to 0.50.
	Cilegon	n/a	*Rujuk* (remarry): 0.25
	Pandeglang	3,708	
	Menes	n/a	
	Rangkasbitung	2,102	
2. Batavia	Batavia	n/a	Marriage: between 1.00
	Mr. Cornelis [Kota]	n/a	and 5.00
	Tangerang	n/a	Divorce:1.00
	Bekasi	n/a	
	Buitenzorg [Bogor]	n/a	
	Purwakarta	13,419	Marriage: from 0.50 and 2.50; *Rujuk*: 0.25
3. Priangan	Bandung	1,242	Marriage: the highest: 2.00
	Cianjur	846	*Rujuk* and divorce: 1.00
	Sukabumi	3,705	
	Sumedang	2,771	
	Garut	65	
	Tasikmalaya	5,529	
	Ciamis	3,855	
4. Cirebon	Cirebon	1,059	[Marriage]: 1.50
	Kuningan	2,022	
	Indramayu	3,259	
	Majalengka	2,195	
5. Pekalongan	Pekalongan	171	Marriage or divorce: from 0.50 to 2.00
	Batang	5,016	
	Tegal	33,179	
	Pemalang	24,340	
	Brebes	4,988	
6. Semarang	Semarang	1,561	Marriage from 1.00 to 2.00
	Salatiga	4,097	Divorce from 1.50 to 2.50
	Kendal	4,782	*Rujuk* from 0.75 to 1.50

(cont.)

Residencies	*Regencies*	*Dutch Guilders**	*Fees of Marriage in guilders*
	Demak	4,029	
	Grobogan	6,612	
	Pati	36,586	
	Kudus	4,367	
	Jepara	13,013	
7. Rembang	Rembang	8,200	[Marriage]: from 0.50 to 2.50
	Tuban	25,223	*Rujuk*: free of charge
	Bojonegoro	2,177	
	Blora	10,095	
8. Surabaya	Surabaya	10,958	Marriage and *rujuk*: 2.00
	Sidoarjo	13,310	Marriage and *rujuk*: 2.50
	Mojokerto	995	Marriage and *rujuk*: 2.00
	Jombang	9,607	Marriage and *rujuk*: 2.25
	Grisee (Gresik)	1,422	Marriage and *rujuk*: 1.80
	Lamongan	3,876	Marriage and *rujuk*: 2.25
	Sidayu	2,856	
9. Madura	Pamekasan	2,755	Marriage: 1.00 to 3.00; *rujuk* 1.00; divorce 4.00
	Sumenep	14,897	
	Bangkalan	5,376	[Marriage]: 0.50 to 1.50; *rujuk* 0.50; divorce 2.00
	Sampang	9,208	[marriage]: 1.00 to 3.00; divorce 4.00; *rujuk*: free
10. Pasuruan	Pasuruan	7,007	Marriage and divorce from
	Bangil	2,710	1.00 to 2.00
	Malang	6,524	
	Probolinggo	n/a	
	Kraksaan	n/a	
	Lumajang	n/a	
11. Besuki	Bondowoso	1,062	[Marriage]: from 0.50 to 2.50
	Jember	1,172	Divorce: 2.50
	Situbondo	379	*Rujuk* 0.50 to 2.50
	Banyuwangi	1,462	
	Besuki	714	
12. Banyumas	Banyumas	9,742	Marriage 3.00; divorce 2.00;
	Purwokerto	13,385	*rujuk* 1.00
	Purbalingga	7,340	
	Banjarnegara	5,303	

(cont.)

Residencies	*Regencies*	*Dutch Guilders**	*Fees of Marriage in guilders*
	Cilacap	20,030	
13. Kedu	Magelang	2,293	[Marriage]: from 2.00 to
	Grobog	268	3.00
	Temanggung	9,303	Divorce: from 2.50 to 3.00
	Purworejo	1,726	
	Kutoarjo	2,261	
	Kebumen	3,858	
	Karanganyar	28,872	
	Wonosobo	11,468	Maximum [marriage fee]: 2.00
	Tegalrejo	287	Marriages outside mosque: 10.00
	Bandongan	342	Divorce [maximum fee]: 2.00
	Muntilan	854	*Rujuk* [maximum]: 2.00
	Salam	224	
	Salaman	626	
14. Madiun	Madiun	571	Marriage and divorce: 3.00; *rujuk* 0.75
	Ngawi	2,106	As above
	Magetan	12,709	As above
	Ponorogo	2,578	
	Pacitan	1,053	
15. Kediri	Kediri	4,868	[Marriage]: from 0.50 to 2.00
	Tulungagung	16,031	Divorce and *rujuk* [maximum]:
	Nganjuk	1,348	1.50
	Blitar	18,679	
	Trenggalek	295	
		509,667	

Source: Collection of R.A. Kern DH 797 no 460.
* Cents are ignored and the amounts are rounded.

APPENDIX TWO

FINANCIAL REPORT OF CENTRAL BOARD OF MUHAMMADIYAH IN 1936

Lampiran S. M. no 1/1356.

VERANTW

Hoofdbestuur Moehammadijah

OEANG MASOEK. 19

No.	NAMA POST	H. B.	P. K. O.	Pengadjaran	Tabligh	Aisjijah	T. P.	Pemoeda	Djoemlah
1	Contributie	500,17	—	—	—	515,80	—	0,90	1016,87
2	Donatie	198,75	768,98	—	618,42⁵	194,26	134,90	—	1915,31⁵
3	Derma	286,73	544,09	—	19.—	318,61	18,85	51,89⁵	1239,17⁵
4	Zakat	181.—	314,49	134,80	436,05	209,11⁵	73,10	94,98	1443,53⁵
5	Madjelis Sjoera	846.—	—	—	—	—	—	—	846.—
6	Sokongan	414,35⁵	4693,63	11331,78	242,34⁵	115,27	—	65,15	16862,53
7	Peroesahaan	—	540,44	—	—	64,50⁵	30.—	78,07⁵	713,02
8	S. M.	84,54	—	—	—	—	—	—	84,54
9	Oetang	—	500.—	625.—	—	—	—	33,19⁵	1158,19⁵
10	Lain - lain	178,56	636,10	—	4,55	12,10	—	—	831,31
11	Tjelengan	9,13⁵	45,60	—	—	57,76	—	0,91⁵	113,41
12	Pendjoealan barang	—	210.—	—	—	—	—	—	210.—
13	Pembajaran oetang	—	1162,38	135,13	—	3,—	—	—	1300,51
14	Subsidie (1)	—	12916,40	50377,05	—	—	—	—	63293,45
15	Bajaran Moerid	—	—	8090,78	3,80	—	—	6,95	8101,53
16	Bajaran Internaat	—	—	—	—	—	—	—	—
17	Hasil Kliniek (2)	—	9847,46	—	—	—	—	—	9847,46
18	Fonds	—	—	—	—	—	—	—	—
19	Loonbelasting	—	—	2116,47⁵	—	—	—	—	2116,47⁵
	Djoemlah:	2699,24	32179,57	72811,01⁵	1324,17	1490,42	256,85	332,06	111093,32⁵
	Saldo d. j. l.	47,73	2746,61	—	96,56	225,08	57,64	-18,55	3192,17
	Djoemlah:	2746,97	34926,18	72811,01⁵	1420,73	1715,50	314,49	350,61	114285,49⁵

Gezien: HOOFDBESTUUR MOEHAMMADIJAH,

Vice Voorzitter, H. M. SOEDJAK.

Secretaris, H. MOECHTAR.

(1) Gouvern. en Kasultanan.
(2) Practijk loear Kliniek. Dokter en Vroedvrouw f 3428,52

Explanation:

Verantwoording	: Accountability	Oeang Masoek	: Income
H.B	: (Hoofd Bestuur): Central Board	Pengadjaran	: Teaching
P.K.O	: (Pertolongan Kesengsaraan Umum): Charity and Help division		
T.P.	: (Taman Poestaka) : Publishing division	Pemoeda	: Youth
Vice voorzitter	: Vice chief	Joemlah	: Total
Soekoengan	: financial support	Peroesahaan	: corporation
S.M.	: Soeara Moehammadyah (magazine)	Oetang	: loan
Lain-lain	: Other	Tjelengan	: Saving

/OORDING
dengan Bahagian-bahagiannja.
36.

CANG KELOEAR.

No.	NAMA POST	H. B.	P. K. O.	Pengadja-ran	Tabligh	'Aisjijah	T. P.	Pemoeda	Djoemlah
1	Onk. Oetoesan	636,88^5	183,72	226,10^5	317,23	35,15	26,70	70,53	1496,32
2	Onk. Vergadering	87,95	130,20	79,43^5	73,15	36,36^5	1,35	22,59	431,04
3	Toelis menoelis	305,55	263,01	103,97^5	38,62	23,07	17,06^5	59,02^5	810,31^5
4	Telf. & Telgr.	29,90	220,02	—	—	—	—	—	249,92
5	Tjitakan	90,07	74,80	94,77	115,04	11,14	31,18	53,29^5	470,29^5
6	Madjlis Sjoera	—	—	—	—	—	—	—	—
7	Sewaan	—	2915,40	1742,60	—	—	—	7,50	4665,50
8	Premie	9,05^5	416,19	614,68^5	—	57,97	14,98^5	2,27	1115,15^5
9	Gadjih Pegawai (1)	—	10454,25	61741,03^5	52,87^5	—	—	—	72248,16
10	Penerangan	—	900,18	160,80	—	312,81	12,48	12,40	1398,67
11	Waterleiding	—	656,11	20,30	—	—	—	—	676,41
12	Menjokong	1134,93	1983,67	1811,11^5	95,25	742,69^5	123,91	8,60	5900,17
13	Pertoeloengan	—	154,43	—	—	—	—	—	154,43
14	Pemeliharaan	—	453,65	103,46	—	1,40	—	—	558,51
15	Peroesahaan	—	47,34	—	—	—	—	—	47,34
16	Pioetang	20.—	2056,22	—	—	3.—	35.—	—	2114,22
17	Pembajaran Oetang	275.—	530,50	354,01	—	—	—	37,73	1197,24
18	Kekajaan	—	294,04	312,13	—	19,90	—	9,15	635,22
19	Jajasan	—	1004,66	—	—	—	—	—	1004,66
20	Lain - lain	44,40	604,48	456,15^5	35,72^5	91,29^5	—	8,75	1240,80^5
21	Boekoe & Soeratkabar	—	113,99	940,50	—	—	—	—	1054,49
22	Onk. Makan P.K.O. (2)	—	6656,85	—	—	—	—	—	6656,85
23	Onk. Pakean P.K.O. (3)	—	448,65	—	—	—	—	—	448,65
24	Keperloean Kliniek	—	374,24	—	—	—	—	—	374,24
25	Onk. Kendaraan	—	772,36	—	—	—	—	—	772,36
26	Onk. Internaat	—	—	—	—	—	—	—	—
27	Onk. Moeballigh	—	—	—	—	202,36	—	—	202,36
28	Membagai Zakat	—	—	—	—	—	—	—	—
29	Loonbelasting	—	—	2190,60	—	—	—	—	2190,60
30	Nadeeling saldo	—	—	925,89	—	—	—	—	925,89
31	Onk. Madrasah	—	—	—	438,28	—	—	—	438,28
32	Beaja balai & cursus	—	—	—	—	—	—	31,52^5	31,52^5
	Djoemlah :	2633,74	31708,96	71877,56^5	1166,17	1537,15^5	262,67	323,36^5	109509,62^5
	Saldo ini th.	113,23	3217,22	933,45	254,56	178,34^5	51,82	27,24^5	4775,87
	Djoemlah :	2746,97	34926,18	72811,01^5	1420,73	1715,50	314,49	350,61	114285,49^5

(1) Geneoe, Dokter, Pegawai.
(2) Roemah Miskin, Jatim, Kliniek.
(3) Jatim, Miskin, Kliniek.

Djokjakarta, 1 Maart 1937.
S. E. et O.
Diboeat oleh : Penningmeester,
H. BASIRAN.

FINANCIAL REPORT OF CENTRAL BOARD OF MUHAMMADIYAH IN 1940

Lampiran S. M. No. 4/1360.

Verantw

Hoofdbestuur Moehammadija

OEANG MASOEK **19**

No.	Nama Post	H. B.	P. K. O.	Pengadjaran	Tabligh	'Aisjijah	T. P.	Pemoeda	Djoemlah
1	Contributie . . .	727.30				589,30		14,75	1331,35
2	Donatie	154,60	711,45		211,975	179,—	182,10		1439,125
3	Derma	55,85	907,74	576,375	66,15	189,69	4,445	38,04	1838,29
4	Zakat	248.50	197,74	30,50	376,35	210.85	134.25	89,25	1287,44
5	Madjlis Sjoera . .	3142,90							3142,90
6	Sokongan	2770,285	1039,77		184,425	120,16	18,50	59,50	4192,64
7	Peroesahaän . . .		23,77			0,85	1841,12		1865,74
8	S. M. dan S. Kabar			192,45			143,75		336,20
9	Oetang			32,40		40,—			72,40
10	Lain-lain	231,905	19,50	579,43	79,615	7,20	19,38		937,03
11	Tjelengan		40,68			80,91			121,59
12	Pendjoealan barang		9,—						9,—
13	Pembajaran pioetang	35.—	1359,18	981,485		9,—			2384,665
14	Subsidie (1) . . .		9198,92	77485,61					101996,41
15	Oeang Sekolah dan Entree		15311,88	30061,37					30061,37
16	Hasil (2)	302,10	14306,835				111,05		14719,985
17	„ Boemi dan Pekarangan		54,46					20,77	75,23
18	„ Séwan roemah		335,70						335,70
19	Loonbelasting . .			3727,635					3727,635
20	Praktijk Dr. diloear		3043,95						3043,95
21	„ beranak „		577,40						577,40
22	Peroesahaän Keset								
23	Oeang Internaat dan Entree			13321,30					13321,30
24	Derma moerid[2] . .			3779,695					3779,695
25	„ Goeroe[2] . .			12873,165					12873,165
26	Bagian loterij . .		3212,70						3212,70
27	Kembalian sokongan		713,16						713,16
28	Titipan haknja Jatim Istri								
29	Titipan haknja Jatim Laki								
30	Keoentoengan Roemah Obat		1034,21						1034,21
31	Madrasah								
32	Kekajaän					1,15			1,15
33	Pendapatan sewa kendaraän		126,82						126,82
34	Subsidie Soerakarta		170,—						170,—
35	Daja oepaja . . .		2038,59						2038,59
	Djoemlah	7668,44	54433,455	143641,415	918,515	1428,11	2454,595	222,31	210766,84
	Saldo th. jl. . . .	523,325	2055,54	1349,925	231,38	102,85	296,145	46,07	4605,235
	Djoemlah	8191,765	56488,995	144991,34	1149,895	1530,96	2750,74	268,38	215372,075

oording

h dengan Madjlis-Madjlisnja

40

OEANG KELOEA

No.	Nama Post	H. B.	P. K. O.	Penga-djaran	Tabligh	'Aisjijah	T. P.	Pemoe-da	Djoemlah
1	Onkost oetoesan .	963,66	17,58	352,48	109,67	215.31	1,80	13,39	1673,89
2	„ Vergadering .	54,665	102,78	226,855	150,025	70,37	42,845	29,03	676,57
3	Toelis menoelis . . (Onkost Kantoor administratie	77,055	304.11	838,40	17,385	9,765	91,005	25,16	1362,88
4	Telf & Telegram .	542,77	328,53			0,50			871.80
5	Tjitakan	668,31	267,86	612,75	122,29	23,12	1631,77	9,26	3335.36
6	Sewaän		2545,17	6765.35			14,95		9325,47
7	Premie	3,46	2384,145		47,15			12,50	2447,255
8	Gadji pegawai (1)		13174,03	99521.345					112695,375
9	Penerangan . . .		1103.20	1165,365		207.57	26,565	16,80	2519,50
10	Waterleiding . . .		1000,49	660,—					1660,49
11	Menjokong . . .	4718,31	9918,33	2330,04	174,875	311,785	151,49	37.10	17641,93
12	Pertolongan . . .		103,60						103,60
13	Pemeliharaän . . .		298,51	789,455		47.22		17,79	1152,975
14	Peroesahaän . . .		19,43				218,975		238,405
15	Pioetang		679,50	711,33		11.—			1401,83
16	Pembajaran oetang	150,—	100.—	71,45		40,—			361,45
17	Kekajaän	12,50	333,46	3736,24			245,43	29,905	4357,535
18	Lain-lain	308,57	1535,245	542,385	85,645	28,975	57,405	6,46	2564,685
19	Boekoe[2] dan S.Kabar	11,60	91,19	507,55		3,64	32,095		646 075
20	Onkost makan (2)		8197,965	8552,805					16750,77
21	„ Pakejan P. K. O. (3)		536,72						536,72
22	Alat makan dan tidoer intern.			165,78					165,78
23	Alat kliniek Jatim Miskin								
24	Alat kendaraän . .		295,09						295,09
25	„ Moeballigh . .				425,78	192.11			617,89
26	Loonbelasting dan belasting			3937.17					
27	Onkost madrasah .								3937.17
28	Pembajaran obat[2] .		8073,60						
29	Onk. djalan . . .		1592,80				121,23		
30	Mengembalikan . . oeang Polikl.								8073,60
31	Leermidd & schoolbehoeften			4646,78					1714,03
32	Onkost ketjil . . .								4646,78
33	Didikan dan pengadjaran		54,295						
34	Beli Instrument . .		189,98						54,295
35	Onkost Transport .		104,04						189,98
36	Kesehatan			169,49					104.04
37	Recl. & advertentie								169,49
38	Membagi zakat . .					71,75			71,75
39	Advertentie & recl.		130,50				96,04		226,54
40	Restitutie		101,49						101,49
41	Onkost filiaal . .		188,24						188,24
42	Leermidd dan school b. (Inventaris).			7043,625					7043.625
	Djoemlah	7510,90	53771.88	143346,645	1132.82	1233,115	2731,60	197,395	209924,355
	Saldo ini th . . .	680,865	2717,115	1644,695	17,075	297,845	19.14	70,985	5447.72
	Djoemlah	8191,765	56488,995	144991,34	1149,895	1530,96	2750,74	268,38	215372.075

1. REPORT OF *ZAKAT* COLLECTION BY NAHDLATUL ULAMA, DECEMBER 1941.

Verslag Comite Zakat Fithrah dan Kleedingsfonds.

No.	Nama Tjabang	BERAS pkl.	BERAS kt.	Di bagi orang	OEANG r.	OEANG c.	Di bagi orang	Pakaian	Di bagi orang
1	Soekaradja	3	53	277	—	—	—	6	1
2	Keboemen	6	11½	132	—	—	—	—	—
3	Demak	10	71	284	2	—	10	1	1
4	Tasikmalaja	57	67	1330	16	52	25	—	—
5	Bangkalan	5	52	546	5	75½	11	7	7
6	Negara	4	35	116	—	—	—	—	—
7	Moeara Enim	13	92	132	—	—	—	—	—
8	Bandjarmasin	2	30	49	—	—	—	kain-kain	6
9	Banjoewangi	13	95	358	25	—	130	—	—
10	Soemenep	7	85	387	—	—	—	—	—
11	Kroja	4	90	244	3	50	17	—	—
12	Madioen	8	61	472	14	06	30	—	—
13	Probolinggo	4	17	258	—	—	—	—	—
14	Kendal	3	—	270	—	—	—	33	28
15	Kraksa'an	4	40	76	1	15	3	7	7
16	Pamekasan	7	00	350	—	—	—	—	—
17	Poerworedjo	7	84½	124	1	50	7	—	—
18	Pasoeroean	13	63	576	1	25	2	barang2	13
19	Toeboehan	24	—	93	—	—	—	—	—
20	Lamongan	?	?	152	—	—	—	—	—
21	Ponorogo	10	21½	299	29	25	131	—	—
22	Sitoebondo	8	10	175	—	—	—	—	—
23	Soekoredjo	10	46½	341	2	64½	20	—	—
24	Tandjoengkarang	6	58	161	57	50	150	—	—
25	Ngandjoek	12	24	337	—	—	—	—	—
26	Ketanggoengan.	74	—	1925	2	72	30	20	17
27	Kentjong	26	90	387	7	75	15	—	—
28	Samarinda	4	24	78	54	24	22	—	—
29	Koedoes	50	—	5000	—	—	—	—	—
30	Kadjen (Pati)	8	47	367	13	84½	40	—	—
31	Sampang	8	55	285	—	—	—	—	—
32	Indramajoe	15	24	383	—	—	—	38	32
33	Grissee	10	20	920	—	—	—	—	—
34	Bodjonegoro	5	50	100	—	—	—	—	—
35	Pleihari	8	85	97	5	10	97	—	—
36	Pagaralam	9	36½	59	—	—	—	—	—
37	Djember	103	33	3458	27	32½	138	—	—
38	Toeloengagoeng	27	38	1318	32	—	?	4	4
39	Teloekloeboek	21	95	20	—	—	—	—	—
40	Semarang	24	32	1047	—	—	—	barang2	200
41	Malang	629	78¾	10764	95	61	—	4	—
	Djoemblah	1279	14¾	33747	398	72	—	120	316

Ketrangan: 1. Dalam jang tertera diatas, ternjata bahwa masih ada beberapa angka jang beloem tertjantoem. Dalam tjabang Lamongan (no. 20) ta' diseboetkan berapa pikoel atau kati jang telah diterima oleh tjabang. Begitoe poela dalam tjabang-tjabang Bandjamarsin (no. 8), Pasoeroean (no. 18) dan Semarang (no. 40) tidak diterangkan berapa pakaian atau lain-lain barang jang telah diperolehnja. Selain ini tjabang Toeloengagoeng (no. 38) telah menerima oeang sebesar f 32,—, tetapi tidak diterangkan berapa orang jang diberi bagian dari oeang itoe. Begitoe poela tjabang Malang (no. 41) pakaian jang telah diterima tidak diterangkan kepada berapa orang telah dibaginja.

2. Djoemlah beras jang sebesar 127914¾ kati itoe, beloem terhitoeng jang beroepa padi sebesar 150 pikoel 80 kati jang telah diterima oleh tjabang Malang.

3. Tjabang2 jg tidak tertampak namanja dalam verslag ini, adalah memang beloem kita terima. Tentang dikerdjakan atau tiadaknja, itoe, kita tjoema membilang: wallahoe a'lam!

H. B. N. O. bagian Ansor.

Ketoea, H. M. THOHIR BAKRI

Penoelis II, A. C. DJAILANI.

Source: *Soeara Ansor*, December 14, 1941, 122.

2. REPORT OF *ZAKAT* COLLECTION OF MUHAMMADIYAH, FEBRUARY 1941

HASIL GERAKAN MENERIMA DAN MEMBAGI ZAKAT FITRAH

Tjabang dan Groep Moehammadijah jang telah mengadakan gerakan terseboet dan seberapa hasilnja menoeroet verslag - verslagnja jang datang sebagai dibawah ini.

Tempat	pendapatan			dibagikan fakir miskin	masing2		Keterangan
	pikoel	kati	liter		kati	liter	
DAERAH ATJEH							
Tj. Sabang			2268	134	–	17	
„ Kotaradja	—	—		152	–		beroedjoed oeang f 138,62.
„ Lho Soumawe				31			masing² f 1,20.
Gr. Seulimeun	7	46 1/4		72		—	Tidak tentoe.
Tj. Sigli	13	60 1/2		346	1		djoemlah oeang ada f 20,01⁵ dan 483 helai pakaian
DAERAH BENKOELEN	9	81		218	4 1/2		
Tj. Kepahiang	15	75		157	10		
„ Tjoeroep	16	52		72	16		
„ Karangdapo	—	–		304	—		beroedjoed f 76,42.
„ Moeara Aman	14	–		120	12		
Gr. Manna	27	36		29	16		
„ Oedjoeng Tandjoeng	1	60		8	—		
„ Tebingtinggi	—	63		18	3 1/2		
„ Sekoenjit	2	10		2	10		
„ Doesoen Kebon	5	5		30	16 5/6		
„ Tais	8	96		56	16		
„ Loeboek Linggau	12	24		355	1 1/5		
„ Kamp. Tjina	8	64		11	15		
„ Padang Goetji	14	30		—	–		diserahkan 'Amil dan Sabilillah.
„ Tandjoeng Agoeng	7	24		94	7 1/2		
Bk. Gr. Goenoeng tiga	2	20		15	15 3/4		dapat oeang f 2.50.
„ Gr. Tabah Penandjoeng	2	–		20	10		
„ Tandjoeng Aoer	11	20		64	17 1/2		
Bk. Gr. Simpang 3.							
DAERAH BESOEKI	12	41		310	4		
Tj. Banjoewangi	15	20		379	4		
„ Bondowoso	13	39 1/2		450	3		
„ Sitoebondo	7	50		240	–		pendapatan oeang f 4,50.
Gr. Besoeki	1	92		48	4		
„ Poeger	12	37		617	2		
„ Watoekebo	4	20		397	1		
„ Baloeng	9	—		250	3		dan oeang f0,01.
„ Genteng	3	8		88	—		tidak tentoe.
„ Pradjekan	5	48		89	–		
„ Pakisdoeren	6	25		311	2		„ „
Bk. Gr. Rambipoedji							

(Source: *Soeara Moehammadiyah*, February 1941, 6-16.)

(cont.)

Tempat	pendapatan			dibagikan fakir miskin	masing2		Keterangan
	pikoel	kati	liter		kati	liter	
DAERAH BORNEO TIMOER							
Gr. Samarinda	2	44		82	3		
„ Kotabaroe	11	5		84	1 1/2		
„ Tarakan	1	60		3	5		
DAERAH BORNEO SELATAN							
Gr. Marabahan	8	66		55	9 1/2		sisanja oentoek soerau.
„ Moeara Tewe	1	48		74	2		dan oeang f0.42.
„ Soengai Alang	7	27		75	9		
„ Kasongan	—	45		9	5		ditambah f 0.25.
„ Mandoemai	5	60		39	8 3/4		sisanja oentoek sabilillah.
bk. GR. Poelantan Sihin	4	—		3	15		
Tj. Martapoera	—	—	510	170		3	
bk. Gr. Kalaän	1	56		31	5		
Gr. Djr. Koeantan	8	89		54	7 4/53		
DAERAH MADOERA							
Tjab. Pamekasan	8	—		400	2		
„ Sampang	2	90		200	1 1/2		
„ Bangkalan	14			700	2		
DAERAH BANJOEMAS							
Tj. Poerwokerto	10	8		670	1 1/2		beroedjoed oeang f 20.36 1/2
„ Adjibarang	7	20		273	2 1/2		
„ Tjilatjap	8	16		800	1		
„ Bandjarnegara	13	13		265	5		
„ Banjoemas	11	68		1019	1		
Gr. Bobotsari	—	550		300	1 5/6		
„ Pengadegan	—	170		226	3/4		
„ Merboeng	2	48		100	2		
„ Karangkobar	2	44		130	2		tidak tentoe
„ Kebanaran	1	23 1/2		69	1		
„ Kaoeman Batoer	8	90		195	4 3/4		dan oeang f 0.23.
„ Kraganalan	1	18		118	1		
„ Tinggardjaja	15	41		625	2 1/2		
„ Simbarsoember		—		71	—		beroepa oeang f 15.08.
„ Mandiradja	—	35		50	3/4		dan oeang f 0.08.
„ Djatilawang	3	40		200	1 1/5		

(cont.)

Tempat	pendapatan			dibagikan fakir miskin	masing2		Keterangan
	pikoel	kati	liter		kati	liter	
DAERAH CELEBES SELATAN							
Gr. Batoe-batoe Soppeng	11	11		50	23		
„ Lantjirang	8	51		74	11 1/2		
„ Djampoe E	7	35		24	30		
„ Bontobangoen	3	14		78	4		sisanja 2 kt.
„ Boeloekoemba	9	42 1/2		75	12 1/2		
„ Tjappasolo	4	—		100	4		
„ Takkalasi	10	5		150	6 1/2		
„ Bira	1	68		84	2		
„ Pinrang	9	93		111	5		sisanja dimasoekkan madjlis Pengadjaran.
„ Watan	5	37		40	10 1/2		
„ Lariang bangi	2	32		58	4		
„ Bonto	1	70		34	5		
„ Boengeng	2	76		69	4		
„ Teteadji	3	40		25	14		
„ Ele	8	80		47	18 1/2		
„ Belang - belang	4	–		80	5		
„ Kampoeng Pisang	8	80		176	5		
„ Balangnipah	4	–		40	10		
„ Enrekang	–	–	405	81		5	
„ Soenggoeminasa	–	–	766	766		1	beroedjoed oeang f 8,57⁵ dibagikan 87 orang anak-anak jatim dan miskin.
Tj. Bonthain	–	–	747	249		3	
Gr. Sengkang	–	–	3481 1/2	539		6 1/4	
dan			368	„		1/2	(beroedjoed DJAGOENG)
„ Tiro	36	36		310	11 1/2		
„ Sangalinna	1	–		—	—		oentoek keperloean Moesolla.
„ Pangkadjene	3	49		37	5		
„ Belawa	29	80		298	10		
„ Pare - pare	9	7		151	6		
„ Bilokka	4	45		34	12 1/2		20 kt. oentoek onkost.
„ Barembeng	3	68		130	1 1/2		sisanja oentoek lain - lain.
„ Djongaja			220	49		4	
„ Palleko	7	48		94	4		
„ Oedjoeng Loé	4	15		138	3		
„ Limboeng	8	60		280	2		
„ Labakkang	7	—		175	4		
„ Pao	2	60	—	—	—		

(cont.)

Tempat	pendapatan			dibagikan fakir miskin	masing2		Keterangan
	pikoel	kati	liter		kati	liter	
DAERAH CELEBES OETARA							
Tj. Gorontalo	13	10		470	3		
Gr. Tilamoeta	4	54		605	3/4		
„ Kwandang	3	40		85	4		
„ Dehoealolo	10	34		200	5		
„ Toetoela	2	2		101	2		
„ Bonto	1	70		34	5		
„ Wonggaditi	5	—		100	5		
„ Tomboelilato	3	45		69	5		
Tj. Donggala	7	10		237	3		
Gr. Kabila	3	5		61	5		
„ Lemiton	—	75		15	5		
„ Marissa	7	83		196	3		sisanja 165 kt.
„ Petta Taboekan	12	18		87	4		beroepa SAGOE
„ Ampana	—	—		—	—		beroepa oeang f101,25
—							
DAERAH DJAWA BARAT							
Gr. Soreang	4	32		120	3 1/3		
„ Laboean (Bantam)	3	28		186	—		tidak tentoe.
„ Karawang (Soekaboemi)	1	25		32	4		
„ Soekamandi	9	86		273	3 1/2		
„ Djamblang	7	—		313	2		Amilnja 74 kati.
„ Panawoean	1	42 1/2		95	1 1/2		
„ Tjimahi	15	—		362	4		
„ Bekasi			216	80		2	
„ Krawang			666 1/2	309		2	
Tj. Djasinga			63	411	—		bercepa ceang f 41,66 1/2 .
„ Koeningan	12	55		220	4		sisanja oentoek madjlis Pengadjaran.
„ Soekaboemi	9	5		248	3 2/3		
Gr. Tjiledoek	15	4		670	2 1/4		
„ Bendoengan			320	110		2	100 liter oentoek madjlis Pengadjaran.
„ Tjirebon	19	95		532	2 1/2		
„ Sanding			112	125	1 1/2		
„ Batoedjadjar	5	50		136	4+		
„ Tjihaoergeulis	14	—		562	2		beroepa oeang f5,89
„ Rantjaekek	11	70		563	2+		
„ Lemboerawi	3	91		72	3 1/2		
„ Tjitjalengka	4	21		159	3—		
Tj. Bandoeng	64	60		3107	1 1/2		
—							

(cont.)

Tempat	pendapatan pikoel	pendapatan kati	pendapatan liter	dibagikan fakir miskin	masing² kati	masing² liter	Keterangan
DAERAH KEDIRI							
Tj. Ngandjoek	20	28		1014	2		
,, Paree	14	28		1505	1		
,, Toeloengagoeng	18	39		3678	1/2		
Gr. Wlingi	5	58		223	2 1/2		
Tj. Kediri	14	14 1/2		656	2		100 1/2 kt. oentoek madjlis P.K.O.
DAERAH LAMPOENG PALEMBANG							
Tj. Kotaboemi	1	53		38	4		ada sisa f 4.80
,, Oelak Patjeh	35	—		70	50		
,, Soengai Pinang	19	8		104	18 1/4		
,, Soengailiat	4	12 1/4		91	4 1/2		
,, Teloekbetoeng	7	3		88	4		
,, Ladang Pladjoe	33	76		620	4		djcega kepada kjai2 jang pantas.
Gr. Padang Bindoe	4	5		4	9		
,, 13 Oeloe	1	35		31	4		
,, Pagar Goenoeng	12	—		200	6		
,, T. Baroe.	5	40		135	4		
,, Seri Djabo	8	62 1/2		23	37		
,, Merandjat	8	14		65	12 1/2		
,, Soeka Bandjar	2	64		39	3		
,, Kertapati	11	92		22	54		seharga f 5— diserahkan Comite Moekimin Mekkah.
,, Lorok	5	76		40	9 1/2		lainnja oentoek anak-anak jatim.
,, Karang lantang	10	5		4	25		sisanja oentoek Comite „Gedong".
,, Poelaupanggoeng	7	4		24	14 5/8		jang 352 kati. oentoek oemoem.
,, Batanghari	6	20		31	5 1/2		seperdelapannja dikirimkan H.B. sisanja disimpan P.K.O.
,, Tandjoengbaroe	3	57		4	8		
,, Bandjarnegeri	3	50		15	10		
,, Djirak	7	4		22	32		
,, Danautjala	1	20		16	8 3/4		
,, Keloempang	7	50		9	83 1/3		
,, Goenoeng liwat	3	—		8	25		
,, Goenoeng tiga	1	50		3	8		
,, Nantigiri	9	20		92	10		
,, Pengandonan	11	52		7	20 1/2		
,, Sekajoe	17	35		44	25		
,, Goenoeng 3	4	40		40	11		
,, Negarabatin	7	65		153	5		
,, Arisan Gading	5	93		113	5+		
DAERAH MADIOEN							
Tj. Ngawi	5	—		500	1		dan oeang f 0,05
Gr. Plalangan	4	2		201	2		
,, Barat	1	4		156	2/3		
,, Somoroto	1	67		111	1 1/2		
,, Djetis	3	66		183	2		

(cont.)

Tempat	pendapatan pikoel	kati	liter	dibagikan fakir-miskin	masing2 kati	liter	Keterangan
Gr. Tempoerredjo	3	33		250	1 1/3		
„ Oeteran (Djatisari)	5	15		316	2 3/4		
DAERAH PEKALONGAN							
Tj. Tegal	21	78		836	1 3/4		toerah 6 pikoel
„ Balapoelang	2	96		194	1 1/2		
„ Pekalongan	12	36		1236	1		
Gr. Kedjambon	2	43		306	3/4		
„ Batang	11	75		587	2		jg. berharga f 5 oentoek Comité Moekimien Mekkah.
„ Kemantran	3	57		119	3		
„ Pagongan	5	59		246	2		
„ Gringsing	3	96		474	8/10		
„ Wiradesa	10			500	2		
„ Woeled	5	8		254	2		
„ Petaroekan	6	5		605	1		
Tj. Pekadjangan	8	80		1000	1 —		dan oeang f0,15.
Gr. Randoedongkal	3	19		159	2		
DAERAH MINANGKABAU							
Tj. Matoer	5	92		124	—		tidak tentoe.
„ Soeliki	8	4		263	3		
„ Solok	3	25		50	6		
„ Pajakoemboeh	22	13 1/2		518	4 1/4		
„ Kerintji	5	—		80	6 1/2		
„ Priaman	7	78		552	1 1/2		jg. besar ditambah 6 ct. Jg. ketjil 3 ct.
bk. Tj. Soelit Air	6	—		300	2		dan oeang f0,01 1/2
Gr. Pandai Sikat	25	48		226	9 1/2		
„ Kolo Mambang	4	5		100	5 —		
„ Lawangtiga	15	—		60	18 1/2		semoea dari padi.
„ Djopang Menganti	11	84		392	3		
„ Pakandangan	6	50		215	3		
„ Pantar	2	5		20	10 1/4		
„ Soemanik	6	30		105	6		
„ Penampoeng	4	20		100	4		jg. 20 kt. oentoek onkost.
„ Panjalaian	7	50		150	5		
„ Batoehampar	2	94		27	10 3/4		tidak tentoe, menoeroet banjak anaknja.
„ Koto Palambajan	5	153/4		77	8 1/2		menoeroet pandangan.
„ Kota Malintang	1	50		53	3		
„ Batangtoroe	16	36		43	38		
„ Andoeng Pariaman	4	20		40	10 1/2		
„ Rawang	15	79		410	4 —		
„ Karang Intan	15	56		257	6		
„ Toedjoeh Koto	8	10		184	4 1/2		

(cont.)

Tempat	pendapatan pikoel	kati	liter	dibagikan fakir-miskin	masing² kati	liter	Keterangan
Gr. Moeara Laboh	5	37 1/2		196	2 3/4		
„ Sawah Tengah	3	24		104	2 1/2		
„ Kajoetanam	10	78		354	3		
„ Pisang	2	—		60	3 1/3		
„ Malai Moeda	3	52		19	15		67 kt. oentoek Groep.
„ Selajo	10	19		159	6 1/2		
„ Gantoeng Tjiri	4	74		158	3		
„ Limakaum	1	68		45	3		salah seorang ada jg. dapat 36 kati.
„ Panjakalan	11	20		70	16		
„ Limbanang	3	75		73	5		
„ Topon	7	48		132	4		sisanja boeat Comité Moekimin Mekkah.
„ Manggoeng	2	40		50	4 1/2		
„ Pasar Gedang	1	31		2121	—		oeangnja f 142,90
„ Kotabaroe	6	48		648	1		
„ Tandjoengbonai	17	40		400	1		
„ L. Lintang Moengka	4	12		60	15		
„ Oedjoeng Gading	3	70		11	33 1/3		
„ Sitjintjin	—	—	702	303	—		besar 3 liter ketjil 1 liter.
„ Sialang	—	—	1236 3/4	50	—	25 1/2	
„ Poelau Poendjoeng	—	—	5525	60	—	85	
„ Soengai Landir	2	44		56	4		
„ Naras	2	40		40	6		
„ Matoer Katik	3	8		77	4		
„ Maroenggi	1	56		88	2		
„ Soengai Rimbang	—	—	1751	63	—		tidak tentoe.
„ Soengai Sarik	5	93		83	6		
„ Boekit Kili	3	—		81	3 1/2		
„ Kaloemboek	1	95		65	3		
„ Biaro Gadang	2	78		82	2		
„ Goegoek Randah	3	—		50	6		
„ Tandi Balit		—		178	—		dapat 241 boeah, dan oeangnja f 16,25.
DAERAH PESISIR TIMOER							
Tj. Tebingtinggi	14	36		68	21		
„ Kisaran	3	20		88	3 2/3		dan oeang f 1,12.
„ Tandjoeng Balai	—	92		103	3/4		dan oeang f 0,75.
Gr. Indrapoera	4	25		85	5		
„ Air Kanopan	6	1		60	10		
„ Serbelawan	4	4		25	16		
„ Bah Goenoeng	7	68² 6		29	28 5/29		jang 18 kati boeat 'Amil.
„ Bandar Cholifah	1	28		11	10		
„ T. Tiram	7	59 1/2		34	—		tidak tentoe.
„ P. Brandan	—	—		84	—		beroedjoed oeang f 115,08.
„ Bengkalis	9	80		50	19		
„ Bantajan	2	70		162	1 3/4		

(cont.)

Tempat	pendapatan pikoel	pendapatan kati	pendapatan liter	dibagikan fakir miskin	masing2 kati	masing2 liter	Keterangan
DAERAH PASOEROEAN							
Tj. Singosari	2	40		96	2½		
„ Pasoeroean	8	50		261	3		
„ Bangil	7	5		352	2		
Gr. Porrong	9	—		600	1½		
„ Lawang	15	77		827	2		
„ Toempang	2	93½		215	1		
„ Kraksaan	17	15		927	2		
Tj. Loemadjang	17	85		744	1½		jg. 669 kt. boeat 'Amilnja.
DAERAH RIAUW INDRAGIRI							
Tj. Taloek	10	83		82	13		
„ Loeboek	8	–		98			tak sama dan oeangnja f 6.—.
Gr. Genting	7	95		76	10⅓		
„ Seberang Pantai	2	80		93	3		
„ Poelau Aro	5	85		117	5		
„ Sentadja	10	6		17	6+		
„ Pabaoen	9	80		56	1¾		
„ Soengai Pinang	18	23		28	65		
DAERAH IBOETEMPAT							
Tj. Temanggoeng	7	50		370	2		
„ Keboemen	5			250	2		
„ Koetoardja	2	57		110	2½		
Gr. Wotgaleh	1	44		100	1½		
„ Ngadiwinatan	4	8		250	1½		
„ Pakoealaman	3	67		209	1¾		
„ Wanasari	6	50		120	5		
„ Sangoebanjoe	1	60		30	4		40 kati oentoek dienst jatim.
„ Moentilan	6	84		171	4		kelebihan 40 kt.
„ Pandjatan	1	80		148	1+		
„ Kedaton Plered	2	25		83	2½		
„ Mlesen	2	48		181	1⅗		
„ Premboen	3	—		600	½		
„ Magelang	2	86		—	—		dioeroes oleh MIM.
„ Kedoe	10	4		1004	1		
„ Pakoeningratan	3	34		175	2—		
„ Maesan	4	94		414	4⅙		
„ Godean	2	48		166	1½		
„ Gesikan	4	—		400	1		
„ Koeloer	2	8		104	2		
„ Mranggèn	1	20		—	—		
„ Tempel	10	36½		691	1½		
„ Boroboedoer	3	92		176	2		sisanja oentoek 'Amil
„ Blawong	1	—		113	1—		
„ Gombong	7	9		508	1½		
Tj. Poerworedjo	7	3		370	2—		
Gr. Kranggan	7	93		882	8/9		

(cont.)

Tempat	pendapatan			dibagikan fakir-miskin	masing2		Keterangan
	pikoel	kati	liter		kati	liter	
DAERAH SEMARANG							
Tj. Soeroeh	4	71		231	1 1/2		
,, Blora	14	18		2561	1/2		
,, Semarang	73	13		6594	1+		
,, Salatiga	18	59		1035	1 1/2		
,, Kendal	10	–		500	2		
Gr. Demak	10	–		875	1		1/8nja boeat 'Amil.
,, Tjepoe	9	59		900	1		
,, Djamboe	11	37		211	6		
,, Soekoredjo	2	50		162	1 1/2		dan oeang f 0.05.
,, Goendih	1	52		46	3 1/3		dan oeang f 0,01 1/2
,, Djoewana	6	69 3/4		250	2 1/2		
,, Bringin	2	5		205	1		
,, Bodja	5	20		328	1 1/3		dan oeang f 0.07 1/2
,, Pagersari	5	20 1/2		219	2		
,, Boejaran	1	80		50	3 3/5		
,, Tajoe	1	60		65	2 1/2		
,, Oengaran	7	22		309	2 1/2		
,, Poerwadadi	19	90		1900	1		jang 90 kati boeat 'Amil.
,, Randoeblatoeng	2	35		109	2+		
,, Weleri	7	27		295	2		jang 137 kati boeat 'Amil.
,, Soesoekan	3	82		191	2		
,, Besito Koedoes	3	64		390	1–		dan œang f0,10
,, Ambarawa	5	–		500	1		
DAERAH SOERABAJA							
Gr. Kepandjen	7	18		1064	3/4		besar 1 kati ketjil 1/2 kati.
,, Djombang	17	33		875	2		(jg. 17 orang masing2 1 kt.).
,, Boeloelawang	4	15		174	2 1/2		
,, Krian	2	42		135	2		
,, Sidajoe	4	50		450	1		
,, Sepandjang	8	71		445	2		tidak tentoe menoeroet pandangan.
,, Kaliwaron	8	11 1/2		296	2 1/4		
,, Sidoardjo	13	27		539	2 1/2		ada kelebihan 54 kati.
,, Toeren	1	81		143	1		
,, Wadjak	3	57		305	1		kelebihan52 kati.
,, Klajatan	3	32		112	3		
,, Donomoelio	2	23		56	4		djoemlah oeang ada f3,83, pakaian 9 potong.

(cont.)

Tempat	pendapatan pikoel	kati	liter	dibagikan fakir-miskin	masing2 kati	liter	Keterangan
Gr. Waroe	2	64		61	4 1/3		
Tj. Gresik	7	25		—			(oeangnja f0.78)
DAERAH BORNEO BARAT							
Tj. Singkawang	6	94		63	11		
DAERAH SOERAKARTA							
Tj. Klaten	8	30		1061	4/5		
,, Bojolali	6	50		650	1		
,, Kartasoera	4	9		367	1		
,, Sragen	7	92		260	1		ada jang lebih
Gr. Gading Santren	5	36		536	1		
,, Djoewangi	1	65		55	3		
,, Gawok	2	15 1/2		89	2		
,, Wonogiri	5	50		550	1		
,, Kalidjambe	2	50		167	1 1/2		
,, Sidohardjo	1	5		48	2		
,, Sentono	2	49		72	4		
,, Brondongan	—	58		58	1		
,, Karanganjar	3	69		369	1		
,, Podjok	8	—		400	2		
,, Batoeretno	3	91		404	3/4		dan oeang f 0,01.
,, Pratjimantoro	5	20		520	1		
,, Masaran	4	80		480	1		
,, Wonosari	1	60		160	1		dan oeang f 0,01.
,, Kamp. Sewoe	3	40		170	2		
,, Ampel	1	64		78	2		
,, Djatinom	6	1 1/4		480	1 1/4		
,, Tembajat	—	89		80	1		dan oeang f 0.06·
,, Waroe	2	40		130	1 1/2		
,, Wedi	3	90		260	1 1/2		
,, Tjinderedjo	3	15		315	1		
,, Ponggok	1	89		164	1		ig. 25 kt. oentoek anak jatim. di Kartasoera.
,, Pengging	3	78		189	2		
,, Kapatihan	3	37		337	1		
,, Kottabarat	13	91		1474	1 —		
DAERAH TAPANOELI							
Tj. Sipirok	22	—		7	29		
,, Goenoeng Sitoli	9	50		158	6		
Gr. Djanajirangkola	4	—		6	22		
,, Kota Nopan	1	55		22	7 1/22		
,, Loemoet	8	75		35	25		
,, Bt. Garigis	4	77		140	3		57 kt. oentoek Administratie.
,, Miga	3	60 1/2		103	3 1/2		

(cont.)

Tempat	pendapatan pikoel	pendapatan kati	pendapatan liter	dibagikan fakir miskin	masing² kati	masing² liter	Keterangan
Gr. Natal			336	110	3		
„ Baroes Moedik			430	72	3		
„ Bagas - lombang	12	$56^{2}/_{3}$		2	$16^{3}/_{4}$		
„ Hoeta Imbaroe	2	20		8	$6^{7}/_{8}$		
„ Simangambat	5	83		8	7		
„ Parsarminan	11	25		15	$10^{1}/_{2}$		f9.675 boeat kas.
—							
LOEAR DAERAH							
Tj. Gantoeng	4	42		19	$23^{1}/_{5}$		
„ Singaradja	11	22		374	3		
„ Amboina	5	4		144	$3^{1}/_{2}$		
Gr. Air Roesa	1	26		18	7		
„ Laboean Hadji	16	92		1050	$1^{6}/_{10}$		
„ Pangkalandjamboe	7	90		79	10		
Djoemlah 389 Tjabang dan Groep	2500	$15627^{7}/_{12}$	$20113^{1}/_{4}$	104230	Djadi pendapatan beras semoea 2978,085 pikoel, dibagikan 104230 orang.		

Sekianlah hasil gerakan menerima dan membagi Zakat Fithrah, jang diadakan oleh Moehammadijah seloeroeh Indonesia jang mengirimkan verslagnja.

Kalau mengingat banjaknja Tjabang dan Groep Moehammadijah pada achir tahoen 1939 ada 1063 tempat (lihat S. M. no. 9/1358), maka jang tidak mengadakan gerakan terseboet ada 674 tempat. Soedah tentoe, oleh karena Tjabang atau Groepnja tidak mengadakan gerak penerimaan dan pembahagian Zakat Fithrah, maka fithrah mereka dibagikan oleh masing-masing.

Sesoenggoehnja Zakat Fithrah itoe soedah mendjadi kewadjiban dari Agama Islam. Maka kita mengadakan gerakan pembahagian dan penerimaan itoe, ialah oentoek mempersemangatkan berdjalannja perintah Agama Islam terseboet, jang akan meninggikan sjiar Agama, pada hal dapatlah merata pembahagiannja kepada fakir dan miskin.

Soeal-soeal jang datang, diwaktoe kami memerintahkan gerakan terseboet, jang berhoeboengan dengan Zakat Fithrah itoe, soedah akan dibitjarakan oleh Madjlis Tardjih dalam Congres ke 30 di Poerwokerto; jang mana moelanja dibitjarakan dalam Congres ke 29 jang laloe, tetapi oleh karena kesempitan waktoe, maka ditoenda dalam Congres jang akan datang.

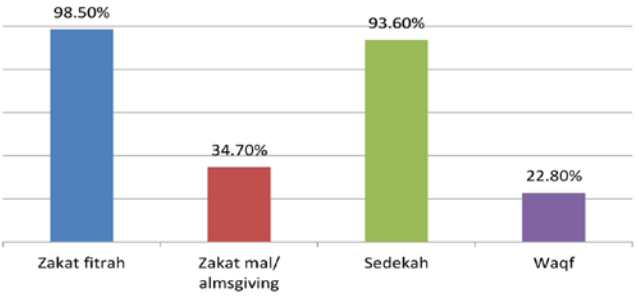
Poetoesan Madjlis Tardjih kelak, mendjadi djawab akan pertanjaannja.

APPENDIX FOUR

SELECTED FINDINGS OF THE SURVEY OF ISLAMIC PHILANTHROPY FOR SOCIAL JUSTICE IN INDONESIAN MUSLIM COMMUNITIES 2003/4.[1]

A. *Public Survey*

1. *Types of charity provided by Muslims*



2. *Motivations for giving sedekah*

	Per cent
Because of religious teachings	49
To get closer to God	41
The rights of the poor	36

3. *Payment of zakat and fitrah*

	Per cent of Cases
Given to committees of ZIS	70.0%
Given to LAZ	.6%
Given to BMT	.2%
Given to BAZ	4.6%
Directly to the recipients	61.2%
Total	136.6%

[1] They are gathered from two surveys, covering the general public and organisations. The methodology of both surveys is elaborated in the Introduction.

(cont.)

4. *Reasons for giving* zakat to the *committees of ZIS*

	Valid Per cent
Close/nearby	33.1
Knowing and trusting the committee members	19.9
Wide distribution	19.9
Following tradition	27.2
Total	100.0

5. *Reasons for giving zakat through LAZ/BMT*

	Valid Per cent
Organisers are trustworthy	28.6
Transparent and accountable	57.1
Widely known	7.1
Ability to deal with many kinds of donations	7.1
Total	100.0

6. *Reasons for giving zakat through BAZ*

	Valid Per cent
Deducted from my salary	50.0
Forced by my office	6.0
Feel secure because it is guaranteed by the government	12.0
Wide distribution	12.0
Trust in the organisers	20.0
Total	100.0

7. *Reasons for not giving zakat*

	Per cent of cases
Do not have wealth due for *zakat*	95.5
Don't know whether I have to pay *zakat*	10.7
I paid tax already	6.9
Disappointed with the management of *zakat*	3.3
I don't trust the amil (*zakat* manager)	2.9

8. *Response to the question as to whether Muslims in their area go to religious leaders to consult their zakat*

	Valid Per cent
Yes	27.0
No	47.8
Don't know	25.3
Total	100.0

(cont.)

9. *Opinion on the deduction of tax after payment of zakat*

	Valid Per cent
Totally agree	4.6
Agree	35.1
Disagree	51.1
Totally disagree	9.2
Total	100.0

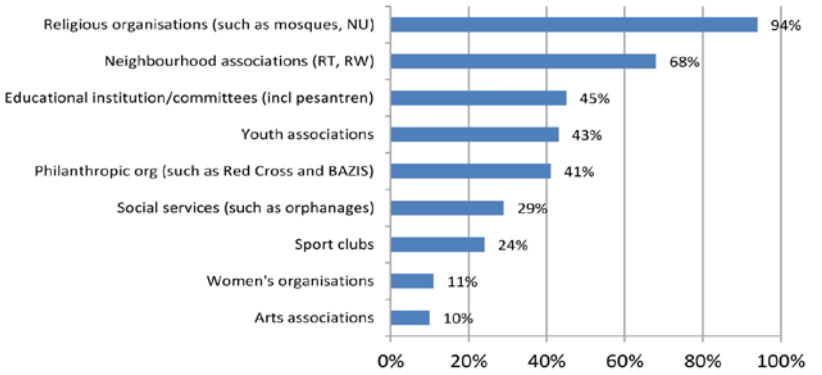
10. *Maintaining the secrecy of giving*

	Valid Per cent
Yes	77.4
No	20.0
I don't know	2.6
Total	100.0

11. *Reasons for maintaining the secrecy of giving*

	Valid Per cent
Religious teaching	6.3
Avoiding boastful and pompous behaviour or preventing showing off, in order to keep sincerity	71.9
In order to prevent the reward being lessened, because giving is for God to judge	10.4
Respecting the feeling of the recipients	1.3
Asked by the donors	3.9
The amount is small	1.4
Other reasons	2.7
Total	100.0

12. *Muslims' donations to organisations*



(cont.)

13. *Would you donate to an institution that you don't feel close to?*

	Valid Per cent
Yes	37.6
No	62.4
Total	100.0

14. *Do you know where the money and the assistance will be going?*

	Valid Per cent
Yes	59.1
No	26.3
I don't know	14.6
Total	100.0

15. *Target of sedekah/infak*

	Per cent of Cases
Family	66.8%
Neighbours	75.3%
Friends	41.7%
Beggars	71.0%
Collectors of donation for mosques at street	44.7%
Students	8.6%
Total	308.1%

16. *The most popular philanthropic forms* (*first choice*)

	Per cent
Helping families or giving to the poor	50.9
Helping neighbours and friends who have problems	6.1
Volunteering	6.8
Jihad (wars) with soul and body	.9
Serving public needs	2.3
Giving money to organisations for the poor	10.4
Donations for prayer buildings and hospitals	15.3
Donations for important events (such as religious festivities, and independence day celebration)	7.3

17. *Recipient preference for donations* (*first choice*)

	Valid Per cent
Persons who were born in the same region as me	5.0
Persons who have the same political view	.6
Neighbours	27.0
Persons who have same culture and language	.5

(cont.)

	Valid Per cent
Those who have the same faith	13.6
Family	38.4
Those who earn less than me	15.0
Total	100.0

18. *Willingness to give to others regardless of their religion*

	Per cent
Totally disagree	1
Disagree	9
Neutral	13
Agree	71
Totally agree	6

19. *Necessary to enact Waqf Law?*

	Valid Per cent
Totally necessary	9.0
Necessary	56.6
Not really needed	14.7
No need	19.7
Total	100.0

20. *Role of government in a national body of waqf* (*for those who think the body is needed*)

	Valid Per cent
As regulator and organiser	18.0
As regulator only, the organiser is community	57.6
The body should be totally organised by the people	19.4
n/a	4.6
Other answers	.4
Total	100.0

21. *Response with regard to street charity*

	Valid Per cent
Totally agree	.9
Agree	34.3
Disagree	32.0
Totally disagree	32.8
Total	100.0

(cont.)

22. *Sense of trust in the collection and use of street charity*

	Valid Per cent
Total trust	1.0
Trust	36.0
Distrust	39.9
Total distrust	23.1
Total	100.0

B. Survey of Organisations

23. *Establishment of Philanthropic Organisations*

	Valid Per cent
Before 1945	5.7
1945 - 1965	6.5
1966 - 1988	33.3
1989 - 1997	20.4
After 1998	34.1
Total	100.0

24. *Programmes of Islamic philanthropy organisations*

	Per cent of Cases
Organising economic projects	14.1%
Giving loans and financial assistance	27.2%
Caring for the aged	13.8%
Providing protection for powerless communities	36.2%
Family care	14.5%
Service for mother and babies	8.6%
Service for family planning	2.8%
Providing school fees for those incapable	36.2%
Education for women	17.6%
Literacy	29.7%
Organising specific services such as funerals and weddings	34.1%
Social services (such as circumcision and bazaar)	37.6%
Distributing *zakat* money to the poor	92.8%
Distributing *sedekah* money to the poor	84.1%
Supporting orphans	71.7%

(cont.)

25. *Sources of income of Islamic philanthropic organisations*

	Per cent of Cases
Benefit from business	20.1%
Funding from foreign organisation (non-Arab)	1.0%
Funding from local donor organisation	23.5%
Funding from Arab donor organisations	4.4%
Funding from Islamic donor organisations	10.2%
Funding from government agencies	36.9%
Funding from private donations	23.5%
Donations from entrepreneurs	38.2%
Donations from public figures (leaders)	65.2%
Donations from individuals working abroad	8.2%
Waqf benefit	45.4%
Fitrah	78.2%
Sacrificed meat	57.3%
Zakat	70.0%
Waqf of the organisation	28.3%
Bazaar and charitable events	13.7%
Donations/fees of members	51.2%
Sedekah	83.6%
Hibah	32.1%

26. *Managers of organisations who understand waqf and zakat regulations*

	Per cent
Regulation no. 28/1977 on waqf	34.8
Zakat Management Law no 38 1999	47.8

27. *Opinions from managers of organisations on the intervention of the state*

	Valid Per cent
Not important at all	19.0
Not important	32.0
Neutral	17.6
Important	22.2
Very important	9.2
Total	100.0

28. *Opinion on the law on philanthropy*

	Valid Per cent
Agree	81.4
Disagree	18.6
Total	100.0

(cont.)

29. *Reasons for agreeing with the Zakat Management Law*

	Per cent of Cases
The law gives legal basis	74.9%
The government can control	41.3%
To develop philanthropy	68.1%
Other reasons	7.7%
Total	191.9%

30. *Reasons for those do not agree with the zakat law*

	Per cent of Cases
The law creates bureaucratisation	48.1%
Civil society organisation cannot be independent	26.9%
Religious teachings are sufficient	32.7%
Other reasons	9.6%

31. *The income of the organisation is higher during the* Reformasi *period than during the New Order period*

	Valid Per cent
Yes	37.8
No	60.4
Total	100.0

32. *Opinion as to whether government policy on the economy and politics affected the organisation's income*

	Valid Per cent
Yes	28.7
No	55.7
Don't know	15.6
Total	100.0

33. *Perception on taxation according to managers of philanthropic organisations*

	Valid Per cent
Not important at all	23.8
Not important	43.3
Neutral	14.8
Important	14.1
Very important	3.2
Total	100.0

(cont.)

34. *Opinion as to what/who has the strongest influence on the organisation*

	Valid Per cent
A few community leaders	19.1
A few donors of the organisations	5.9
Government (Department of Social Welfare)	25.0
Charismatic leaders	19.1
Religious leaders	26.5
Other	4.4
Total	100.0

35. *Response as to whether government funding weakens philanthropic organisations*

	Valid Per cent
Yes	14.1
No	84.8
Total	100.0

36. *Rate of annual income of philanthropic organisations*

No.	*Category of Organisation*	*Zakat Fitrah*	*Zakat Mal*	*Infak/Sedekah*	*Waqf*
1	Board of Zakat of Mosque	4,164,010	5,725,466	5,423,296	58,515,931
2	Mosque *zakat* committee	3,194,715	16,308,421	24,854,608	28,500,000
3	BMT	4,257,000	26,766,666	16,946,528	117,500,000
4	LAZ	8,657,500	103,876,839	53,345,386	588,652,500
5	BAZ	390,523,072	99,369,982	3,145,510,067	232,096,666

APPENDIX FIVE

LIST OF REGIONAL REGULATIONS ON *ZAKAT*

No.	*Year*	*Province*	*No.*	*Name*
1	2001	West Java	Decree of West Java governor Jabar No. 73/2001	Pengelolaan Zakat & Pengurus BAZ Jawa Barat
2	2001	Banten	Regional regulation of City Cilegon No. 4/2001	Pengelolaan ZIS
3	2002	Banten	Regional regulation of District Serang No. 6/2002	Pengelolaan Zakat
4	2002	West Java	Regional regulation of City Bandung No. 30/2002	Pengelolaan ZIS
5	2002	West Java	Regional regulation of District Karawang No. 10/2002	Pengelolaan ZIS
6	2002	West Nusa Tenggara	Regional regulation of District Lombok Timur No. 9/2002	Pengelolaan Zakat
7	2002	West Nusa Tenggara	Regional regulation of District Bima	
8	2003	West Sumatra	Regional regulation of District Pesisir Selatan No. 31/2003	Pengelolaan Zakat
9	2003	West Sumatra	Regional regulation of City Solok No. 13/2003	Pengelolaan Zakat
10	2003	West Java	Regional regulation of District Garut No. 1/2003	Pengelolaan ZIS
11	2003	South Sulawesi	Regional regulation of District Bulukumba No 02/2003	Pengelolaan Zakat Profesi, Infaq & Shadaqah
12	2003	South Sulawesi	Regional regulation of District Takalar No 5/2003	Teknis Pengelolaan Zakat
13	2004	Nanggroe Aceh Darussalam	Qanun Province NAD No. 7/2004	Pengelolaan Zakat
14	2004	West Sumatra	Regional regulation of City Bukit Tinggi No. 29/2004	Pengelolaan Zakat
15	2004	West Sumatra	Regional regulation of District Tanah Datar	
16	2004	Banten	Regional regulation of Province Banten No. 4/2004	Pengelolaan ZIS
17	2004	Banten	Regional regulation of District Tangerang No. 24/2004	Pengelolaan ZIS

(cont.)

No.	*Year*	*Province*	*No.*	*Name*
18	2004	West Java	Regional regulation of District Cianjur No. 7/2004	Pengelolaan Zakat
19	2004	South Kalimantan	Regional regulation of City Banjarmasin No. 31/2004	Pengelolaan Zakat
20	2004	South sulawesi	Regional regulation of District Barru No 3/2004	Pengelolaan Zakat
21	2005	West Java	Regional regulation of District Bandung No. 9/2005	Zakat, Infaq, dan Shadaqoh
22	2005	South Sulawesi	Regional regulation of District Maros No 17/2005	Pengelolaan Zakat
23	2006	West Sulawesi	Regional regulation of District Mamuju 2005	Pengelolaan Zakat & Ibadah Maliyah
24	2006	Bangka Belitung	Regional regulation of District Bangka No. 4/2006	Pengelolaan ZIS
25	2006	South Sulawesi	Regional regulation of City Government Makassar No 05/2006	
26	2006	Central Sulawesi	Decree of Governor Donggala No. 188.45/0241/DEPAG	Petunjuk Pelaksanaan Pengelola Zakat
27	2008	West Sumatra	Regional regulation of District Padang Panjang no. 7/2008.	Zakat
28	2008	South Sumatra	Regional Regulation of District Musi Banyuasin No 17/2008	Pengelolaan zakat
29	2008	East Java	Regional regulation of District Sidoarjo	
30	2008	East Kalimantan	Regional regulation of City Bontang	Pengelolaan ZIS
31	2008	East Kalimantan	Regional regulation of District Kutai Kartanegara 2008 no 9/2008	Pengelolaan Zakat
32	2009	South Sumatra	Decree of mayor Palembang no. 177/2009	Kewajiban Membayar Zakat bagi PNS di Kota Palembang
33	2009	Riau	Regional regulation Province Riau no 2/2009 09/08/2009	Tentang Pengelolaan Zakat
34	2009	Riau	Regional regulation of City of Batam, March 2009	Pengelolaan Zakat
35	2009	Central Java	Regional regulation of City of Semarang no 7/2009	Pengelolaan Zakat
36	2009	South Sulawesi	Regional regulation of district Bone, no 13/2009	Pengelolaan Zakat

(cont.)

No.	*Year*	*Province*	*No.*	*Name*
37	2009	West Java	Regional Regulation of City of Bekasi, 2009	Pengelolaan Zakat
38	2010	West Sumatra	Regional regulation of City Padang, July 2010.	

Sources: 1. *Kompilasi 20 Perda Zakat Kabupaten/Kota dan Provinsi di Indonesia* (Jakarta: Institut Manajemen Zakat -IMZ, 2007); 2. Websites of regions and districts, such as <http://www.barru.go.id>; <http://makassarkota.go.id>; <http://www.takalarkab.go.id/>; <http://www.riau.go.id> <http://www.semarang.go.id>; Local Newspapers (such as Samarinda Pos), Tempointeraktif and Syirah online; Original copies of the regional regulations of *zakat*.
Notes: by August 2008, there are 27 regional regulations listed here. By March 2011 the total regional regulations related to zakat was at least 38.

APPENDIX SIX

LIST OF ISLAMIC PHILANTHROPY ORGANISATIONS BASED ON HIGHEST FUNDRAISING INCOME IN 2006 AND 2011 (MEMBERS OF THE ZAKAT FORUM)

No.	*Name*	*Address*
1.	Dompet Dhuafa Republika	Jl. Ir H. Juanda No. 50 Ciputat, Jakarta
2.	Rumah Zakat	Jl. Turangga No.25 C. Bandung
3.	Pos Keadilan Peduli Ummat (PKPU)	Jl. Raya Condet No. 27-G Batu Ampar Jkt
4.	Bazis DKI Jakarta	Jl. Suryo Pranoto No.08 Jakarta Pusat
5.	YBM BRI	Jl. Jend Sudirman Kav. 44-46
6.	BAZNAS	Jl. Kebon sirih Raya 57, Jakarta
7.	Baitul Maal Hidayatullah	Jl. Inspeksi Saluran Kali Malang No. 19 Jkt
8.	Baitul Maal Muamalat	Jl. Letjend S. Parman Kav. 56 Jakarta
9.	Yayasan Dana Sosial Al Falah	Jl. Kerta Jaya VIII-C/17 Surabaya
10.	Bamuis Bank BNI	Jl. Pejompongan Raya 23 JKP
11.	Baitul Mal Aceh	Jl. T. Nyak Arief/Jl. Cendana Utama, Aceh
12.	DPU- DT pusat	Jl. Geger kalong Girang No. 32 Bandung
13.	Al-Azhar Peduli Ummat	Jl. Sisingamangaraja kebayoran baru Jakarta
14.	LMI	Ruko Nginden Raya Jl.
15.	LAZ DDII	Jl. Kramat Raya 45 Jakarta Pusat
16.	LAZIS Muhamadiyah	Jl. Menteng Raya No. 62 Jakarta Pusat
17.	Baituzzakah Pertamina	Jl. Medan Merdeka timur No. 11 Jakarta
18.	BSM Umat	Jl. M. H. Tamrin No. 5 Jakarta
19.	LAZIS NU	Jl. Kramat Raya No. 164 Jakarta
20.	BMPKT Pupuk Kaltim	Jl. Tulip 01 PC VI PT Pupuk Kaltim Timur
21.	LAGZIS	Jl. Bogowonto No. 45 Surabya Jawa Timur
22.	Amanah Takaful	Jl. Mampang Prapatan Raya No. 100
23.	LAZ Persis	Jl. Perintis Kemerdekaan No. 2 Bdanung
24.	BPZIS Bank Mandiri	Gatot Subroto Kav. 36-38 Jakpus
25.	LAZ Portal Infaq	Jl. Radio IV No. 8 A Kebayoran Baru
26.	LAZ Pupuk Kujang (BMPK)	Jl. Jend. Ahmad Yani No. 39 Cikampek
27.	LAZIS GA	Jl. Angkasa Blok B 15 No. 1 Kemayoran
28.	Baitul Maal Bumiputera Group	Jl. Jend. Sudirman Kav. 75 Jakarta
29.	LAZ IPHI	Jl. Tegalan No. 1 Matraman, Jakarta

Sources: Most data collected is from the organisations themselves (ie., their directors, finance departments or staff). Some data has been provided courtesy of M. Noor Aflah, the Zakat Forum.

Year Established	*Income in 2006 (Rupiah)*	*Income in 2011 (Rupiah)*
1993	55,226,587,485	221,000,000,000
1998	35,312,466,256	146,000,000,000
1999	35,879,234,456	80,000,000,000
1968	21,770,657,587	57,500,000,000
2002	2,375,786,282	47,401,848,000
2001	14,524,094,558	40,669,150,841
2001	6,422,111,121	40,066,998,229
2000	11,132,034,023	32,963,485,440
1987	21,796,047,000	30,347,172,125
1967	16,643,668,000	22.143.679.000
2003	5,411,236,000	21,124,067,185
2002	12,376,153,052	18,000,000,000
2005	3,658,656,076	11,910,207,777
1994	2,241,794,601	10.859.531.523
2002	3,368,087,688	8,778,339,290
2005	2,632,400,266	8,627,113,274
2004	8,328,157,570	n/a
2001	8,627,932,424	7,742,556,377
2005	99,850,000	5,600,000,000
1993	2,460,750,968	3,851,836,498
1999	3,038,090,547	n/a
1998	2,304,882,140	n/a
2001	2,180,386,177	n/a
2000	1,600,000,000	n/a
2001	226,244,377	1,694,112,371
1994	716,468,702	n/a
2005	711,918,533	n/a
2003	237,834,162	n/a
2006	20,158,847	n/a

APPENDIX SEVEN

THE ZAKAT MANAGEMENT LAW NO 23/2011

Source: http://www.depdagri.go.id/media/documents/2012/01/06/u/u/u_no.23-2011.doc

UNDANG-UNDANG REPUBLIK INDONESIA
NOMOR 23 TAHUN 2011
TENTANG
PENGELOLAAN ZAKAT

DENGAN RAHMAT TUHAN YANG MAHA ESA

PRESIDEN REPUBLIK INDONESIA,

Menimbang:
a. bahwa negara menjamin kemerdekaan tiap-tiap penduduk untuk memeluk agamanya masing-masing dan untuk beribadat menurut agamanya dan kepercayaannya itu;
b. bahwa menunaikan zakat merupakan kewajiban bagi umat Islam yang mampu sesuai dengan syariat Islam;
c bahwa zakat merupakan pranata keagamaan yang bertujuan untuk meningkatkan keadilan dan kesejahteraan masyarakat;
d. bahwa dalam rangka meningkatkan daya guna dan hasil guna, zakat harus dikelola secara melembaga sesuai dengan syariat Islam;
e. bahwa Undang-Undang Nomor 38 Tahun 1999 tentang Pengelolaan Zakat sudah tidak sesuai dengan perkembangan kebutuhan hukum dalam masyarakat sehingga perlu diganti;
f. bahwa berdasarkan pertimbangan sebagaimana dimaksud dalam huruf a, huruf b, huruf c, huruf d, dan huruf e perlu membentuk Undang-Undang tentang Pengelolaan Zakat;

Mengingat:
Pasal 20, Pasal 21, Pasal 29, dan Pasal 34 ayat (1) Undang-Undang Dasar Negara Republik Indonesia Tahun 1945;

Dengan Persetujuan Bersama
DEWAN PERWAKILAN RAKYAT REPUBLIK INDONESIA
Dan
PRESIDEN

MEMUTUSKAN:

Menetapkan:
UNDANG-UNDANG TENTANG PENGELOLAAN ZAKAT.

BAB I
KETENTUAN UMUM

Pasal 1

Dalam Undang-Undang ini yang dimaksud dengan:
1. Pengelolaan zakat adalah kegiatan perencanaan, pelaksanaan, dan pengoordinasian dalam pengumpulan, pendistribusian, dan pendayagunaan zakat.
2. Zakat adalah harta yang wajib dikeluarkan oleh seorang muslim atau badan usaha untuk diberikan kepada yang berhak menerimanya sesuai dengan syariat Islam.
3. Infak adalah harta yang dikeluarkan oleh seseorang atau badan usaha di luar zakat untuk kemaslahatan umum.
4. Sedekah adalah harta atau nonharta yang dikeluarkan oleh seseorang atau badan usaha di luar zakat untuk kemaslahatan umum.
5. Muzaki adalah seorang muslim atau badan usaha yang berkewajiban menunaikan zakat.
6. Mustahik adalah orang yang berhak menerima zakat.
7. Badan Amil Zakat Nasional yang selanjutnya disebut BAZNAS adalah lembaga yang melakukan pengelolaan zakat secara nasional.
8. Lembaga Amil Zakat yang selanjutnya disingkat LAZ adalah lembaga yang dibentuk masyarakat yang memiliki tugas membantu pengumpulan, pendistribusian, dan pendayagunaan zakat.
9. Unit Pengumpul Zakat yang selanjutnya disingkat UPZ adalah satuan organisasi yang dibentuk oleh BAZNAS untuk membantu pengumpulan zakat.
10. Setiap orang adalah orang perseorangan atau badan hukum.
11. Hak Amil adalah bagian tertentu dari zakat yang dapat dimanfaatkan untuk biaya operasional dalam pengelolaan zakat sesuai syariat Islam.
12. Menteri adalah menteri yang menyelenggarakan urusan pemerintahan di bidang agama.

Pasal 2

Pengelolaan zakat berasaskan:
a. syariat Islam;
b. amanah;
c. kemanfaatan;
d. keadilan;

e. kepastian hukum;
f. terintegrasi; dan
g. akuntabilitas.

Pasal 3

Pengelolaan zakat bertujuan:
a. meningkatkan efektivitas dan efisiensi pelayanan dalam pengelolaan zakat; dan
b. meningkatkan manfaat zakat untuk mewujudkan kesejahteraan masyarakat dan penanggulangan kemiskinan.

Pasal 4

(1) Zakat meliputi zakat mal dan zakat fitrah.
(2) Zakat mal sebagaimana dimaksud pada ayat (1) meliputi:
    a. emas, perak, dan logam mulia lainnya;
    b. uang dan surat berharga lainnya;
    c. perniagaan;
    d. pertanian, perkebunan, dan kehutanan;
    e. peternakan dan perikanan:
    f. pertambangan;
    g. perindustrian;
    h. pendapatan dan jasa; dan
    i. rikaz.
(3) Zakat mal sebagaimana dimaksud pada ayat (2) merupakan harta yang dimiliki oleh muzaki perseorangan atau badan usaha.
(4) Syarat dan tata cara penghitungan zakat mal dan zakat fitrah dilaksanakan sesuai dengan syariat Islam.
(5) Ketentuan lebih lanjut mengenai syarat dan tata cara penghitungan zakat mal dan zakat fitrah sebagaimana dimaksud pada ayat (4) diatur dengan Peraturan Menteri.

BAB II
BADAN AMIL ZAKAT NASIONAL

Bagian Kesatu
Umum

Pasal 5

(1) Untuk melaksanakan pengelolaan zakat, Pemerintah membentuk BAZNAS.
(2) BAZNAS sebagaimana dimaksud pada ayat (1) berkedudukan di ibu kota negara.
(3) BAZNAS sebagaimana dimaksud pada ayat (1) merupakan lembaga pemerintah nonstruktural yang bersifat mandiri dan bertanggung jawab kepada Presiden melalui Menteri.

Pasal 6

BAZNAS merupakan lembaga yang berwenang melakukan tugas pengelolaan zakat secara nasional.

Pasal 7

(1) Dalam melaksanakan tugas sebagaimana dimaksud dalam Pasal 6, BAZNAS menyelenggarakan fungsi:
   a. perencanaan pengumpulan, pendistribusian, dan pendayagunaan zakat;
   b. pelaksanaan pengumpulan, pendistribusian, dan pendayagunaan zakat;
   c. pengendalian pengumpulan, pendistribusian, dan pendayagunaan zakat; dan
   d. pelaporan dan pertanggungjawaban pelaksanaan pengelolaan zakat.
(2) Dalam melaksanakan tugas dan fungsinya, BAZNAS dapat bekerja sama dengan pihak terkait sesuai dengan ketentuan peraturan perundang-undangan.
(3) BAZNAS melaporkan hasil pelaksanaan tugasnya secara tertulis kepada Presiden melalui Menteri dan kepada Dewan Perwakilan Rakyat Republik Indonesia paling sedikit 1 (satu) kali dalam 1 (satu) tahun.

Bagian Kedua
Keanggotaan

Pasal 8

(1) BAZNAS terdiri atas 11 (sebelas) orang anggota.
(2) Keanggotaan BAZNAS sebagaimana dimaksud pada ayat (1) terdiri atas 8 (delapan) orang dari unsur masyarakat dan 3 (tiga) orang dari unsur pemerintah.
(3) Unsur masyarakat sebagaimana dimaksud pada ayat (2) terdiri atas unsur ulama, tenaga profesional, dan tokoh masyarakat Islam.
(4) Unsur pemerintah sebagaimana dimaksud pada ayat (2) ditunjuk dari kementerian/ instansi yang berkaitan dengan pengelolaan zakat.
(5) BAZNAS dipimpin oleh seorang ketua dan seorang wakil ketua.

Pasal 9

Masa kerja anggota BAZNAS dijabat selama 5 (lima) tahun dan dapat dipilih kembali untuk 1 (satu) kali masa jabatan.

Pasal 10

(1) Anggota BAZNAS diangkat dan diberhentikan oleh Presiden atas usul Menteri.
(2) Anggota BAZNAS dari unsur masyarakat diangkat oleh Presiden atas usul Menteri setelah mendapat pertimbangan Dewan Perwakilan Rakyat Republik Indonesia.
(3) Ketua dan wakil ketua BAZNAS dipilih oleh anggota.

Pasal 11

Persyaratan untuk dapat diangkat sebagai anggota BAZNAS sebagaimana dimaksud dalam Pasal 10 paling sedikit harus:

a. warga negara Indonesia;
b. beragama Islam;
c. bertakwa kepada Allah SWT;
d. berakhlak mulia;
e. berusia minimal 40 (empat puluh) tahun;
f. sehat jasmani dan rohani;
g. tidak menjadi anggota partai politik;
h. memiliki kompetensi di bidang pengelolaan zakat; dan
i. tidak pernah dihukum karena melakukan tindak pidana kejahatan yang diancam dengan pidana penjara paling singkat 5 (lima) tahun.

Pasal 12

Anggota BAZNAS diberhentikan apabila:
a. meninggal dunia;
b. habis masa jabatan;
c. mengundurkan diri;
d. tidak dapat melaksanakan tugas selama 3 (tiga) bulan secara terus menerus; atau
e. tidak memenuhi syarat lagi sebagai anggota.

Pasal 13

Ketentuan lebih lanjut mengenai, tata cara pengangkatan dan pemberhentian anggota BAZNAS sebagaimana dimaksud dalam Pasal 10 diatur dalam Peraturan Pemerintah.

Pasal 14

(1) Dalam melaksanakan tugasnya, BAZNAS dibantu oleh sekretariat.
(2) Ketentuan lebih lanjut mengenai organisasi dan tata kerja sekretariat BAZNAS sebagaimana dimaksud pada ayat (1) diatur dalam Peraturan Pemerintah.

Bagian Ketiga
BAZNAS Provinsi dan BAZNAS Kabupaten/Kota

Pasal 15

(1) Dalam rangka pelaksanaan pengelolaan zakat pada tingkat provinsi dan kabupaten/kota dibentuk BAZNAS provinsi dan BAZNAS kabupaten/kota.
(2) BAZNAS provinsi dibentuk oleh Menteri atas usul gubernur setelah mendapat pertimbangan BAZNAS.
(3) BAZNAS kabupaten/kota dibentuk oleh Menteri atau pejabat yang ditunjuk atas usul bupati/walikota setelah mendapat pertimbangan BAZNAS.
(4) Dalam hal gubernur atau bupati/walikota tidak mengusulkan pembentukan BAZNAS provinsi atau BAZNAS kabupaten/kota, Menteri atau pejabat yang ditunjuk dapat membentuk BAZNAS provinsi atau BAZNAS kabupaten/kota setelah mendapat pertimbangan BAZNAS.
(5) BAZNAS provinsi dan BAZNAS kabupaten/kota melaksanakan tugas dan fungsi BAZNAS di provinsi atau kabupaten/kota masing-masing.

Pasal 16

(1) Dalam melaksanakan tugas dan fungsinya, BAZNAS, BAZNAS provinsi, dan BAZNAS kabupaten/kota dapat membentuk UPZ pada instansi pemerintah, badan usaha milik negara, badan usaha milik daerah, perusahaan swasta, dan perwakilan Republik Indonesia di luar negeri serta dapat membentuk UPZ pada tingkat kecamatan, kelurahan atau nama lainnya, dan tempat lainnya.
(2) Ketentuan lebih lanjut mengenai organisasi dan tata kerja BAZNAS provinsi dan BAZNAS kabupaten/kota diatur dalam Peraturan Pemerintah.

Bagian Keempat
Lembaga Amil Zakat

Pasal 17

Untuk membantu BAZNAS dalam pelaksanaan pengumpulan, pendistribusian, dan pendayagunaan zakat, masyarakat dapat membentuk LAZ.

Pasal 18

(1) Pembentukan LAZ wajib mendapat izin Menteri atau pejabat yang ditunjuk oleh Menteri.
(2) Izin sebagaimana dimaksud pada ayat (1) hanya diberikan apabila memenuhi persyaratan paling sedikit:
    a. terdaftar sebagai organisasi kemasyarakatan Islam yang mengelola bidang pendidikan, dakwah, dan sosial;
    b. berbentuk lembaga berbadan hukum;
    c. mendapat rekomendasi dari BAZNAS;
    d. memiliki pengawas syariat;
    e. memiliki kemampuan teknis, administratif, dan keuangan untuk melaksanakan kegiatannya;
    f. bersifat nirlaba;
    g. memiliki program untuk mendayagunakan zakat bagi kesejahteraan umat; dan
    h. bersedia diaudit syariat dan keuangan secara berkala.

Pasal 19

LAZ wajib melaporkan pelaksanaan pengumpulan, pendistribusian, dan pendayagunaan zakat yang telah diaudit kepada BAZNAS secara berkala.

Pasal 20

Ketentuan lebih lanjut mengenai persyaratan organisasi, mekanisme perizinan, pembentukan perwakilan, pelaporan, dan pertanggungjawaban LAZ diatur dalam Peraturan Pemerintah.

BAB III
PENGUMPULAN, PENDISTRIBUSIAN, PENDAYAGUNAAN, DAN PELAPORAN

Bagian Kesatu
Pengumpulan

Pasal 21
(1) Dalam rangka pengumpulan zakat, muzaki melakukan penghitungan sendiri atas kewajiban zakatnya.
(2) Dalam hal tidak dapat menghitung sendiri kewajiban zakatnya, muzaki dapat meminta bantuan BAZNAS.

Pasal 22
Zakat yang dibayarkan oleh muzaki kepada BAZNAS atau LAZ dikurangkan dari penghasilan kena pajak.

Pasal 23
(1) BAZNAS atau LAZ wajib memberikan bukti setoran zakat kepada setiap muzaki.
(2) Bukti setoran zakat sebagaimana dimaksud pada ayat (1) digunakan sebagai pengurang penghasilan kena pajak.

Pasal 24
Lingkup kewenangan pengumpulan zakat oleh BAZNAS, BAZNAS provinsi, dan BAZNAS kabupaten/kota diatur dalam Peraturan Pemerintah.

Bagian Kedua
Pendistribusian

Pasal 25
Zakat wajib didistribusikan kepada mustahik sesuai dengan syariat Islam.

Pasal 26
Pendistribusian zakat, sebagaimana dimaksud dalam Pasal 25, dilakukan berdasarkan skala prioritas dengan memperhatikan prinsip pemerataan, keadilan, dan kewilayahan.

Bagian Ketiga
Pendayagunaan

Pasal 27
(1) Zakat dapat didayagunakan untuk usaha produktif dalam rangka penanganan fakir miskin dan peningkatan kualitas umat.
(2) Pendayagunaan zakat untuk usaha produktif sebagaimana dimaksud pada ayat (1) dilakukan apabila kebutuhan dasar mustahik telah terpenuhi.

(3) Ketentuan lebih lanjut mengenai pendayagunaan zakat untuk usaha produktif sebagaimana dimaksud pada ayat (1) diatur dengan Peraturan Menteri.

Bagian Keempat
Pengelolaan Infak, Sedekah,
dan Dana Sosial Keagamaan Lainnya

Pasal 28

(1) Selain menerima zakat, BAZNAS atau LAZ juga dapat menerima infak, sedekah, dan dana sosial keagamaan lainnya.
(2) Pendistribusian dan pendayagunaan infak, sedekah, dan dana sosial keagamaan lainnya sebagaimana dimaksud pada ayat (1) dilakukan sesuai dengan syariat Islam dan dilakukan sesuai dengan peruntukkan yang diikrarkan oleh pemberi.
(3) Pengelolaan infak, sedekah, dan dana sosial keagamaan lainnya harus dicatat dalam pembukuan tersendiri.

Bagian Kelima
Pelaporan

Pasal 29

(1) BAZNAS kabupaten/kota wajib menyampaikan laporan pelaksanaan pengelolaan zakat, infak, sedekah, dan dana sosial keagamaan lainnya kepada BAZNAS provinsi dan pemerintah daerah secara berkala.
(2) BAZNAS provinsi wajib menyampaikan laporan pelaksanaan pengelolaan zakat, infak, sedekah, dan dana sosial keagamaan lainnya kepada BAZNAS dan pemerintah daerah secara berkala.
(3) LAZ wajib menyampaikan laporan pelaksanaan pengelolaan zakat, infak, sedekah, dan dana sosial keagamaan lainnya kepada BAZNAS dan pemerintah daerah secara berkala.
(4) BAZNAS wajib menyampaikan laporan pelaksanaan pengelolaan zakat, infak, sedekah, dan dana sosial keagamaan lainnya kepada Menteri secara berkala.
(5) Laporan neraca tahunan BAZNAS diumumkan melalui media cetak atau media elektronik.
(6) Ketentuan lebih lanjut mengenai pelaporan BAZNAS kabupaten/kota, BAZNAS provinsi, LAZ, dan BAZNAS diatur dalam Peraturan Pemerintah.

BAB IV
PEMBIAYAAN

Pasal 30

Untuk melaksanakan tugasnya, BAZNAS dibiayai dengan Anggaran Pendapatan dan Belanja Negara dan Hak Amil.

Pasal 31

(1) Dalam melaksanakan tugasnya, BAZNAS provinsi dan BAZNAS kabupaten/

kota sebagaimana dimaksud dalam Pasal 16 ayat (1) dibiayai dengan Anggaran Pendapatan dan Belanja Daerah dan Hak Amil.

(2) Selain pembiayaan sebagaimana dimaksud pada ayat (1) BAZNAS provinsi dan BAZNAS kabupaten/kota dapat dibiayai dengan Anggaran Pendapatan dan Belanja Negara.

Pasal 32

LAZ dapat menggunakan Hak Amil untuk membiayai kegiatan operasional.

Pasal 33

(1) Pembiayaan BAZNAS dan penggunaan Hak Amil sebagaimana dimaksud dalam Pasal 30, Pasal 31 ayat (1), dan Pasal 32 diatur lebih lanjut dalam Peraturan Pemerintah.

(2) Pelaporan sebagaimana dimaksud dalam Pasal 7 ayat (3) dan pembiayaan sebagaimana dimaksud dalam Pasal 30 dan Pasal 31 dilaksanakan sesuai dengan ketentuan peraturan perundang-undangan.

BAB V
PEMBINAAN DAN PENGAWASAN

Pasal 34

(1) Menteri melaksanakan pembinaan dan pengawasan terhadap BAZNAS, BAZNAS provinsi, BAZNAS kabupaten/kota, dan LAZ.

(2) Gubernur dan bupati/walikota melaksanakan pembinaan dan pengawasan terhadap BAZNAS provinsi, BAZNAS kabupaten/kota, dan LAZ sesuai dengan kewenangannya.

(3) Pembinaan sebagaimana dimaksud pada ayat (1) dan ayat (2) meliputi fasilitasi, sosialisasi, dan edukasi.

BAB VI
PERAN SERTA MASYARAKAT

Pasal 35

(1) Masyarakat dapat berperan serta dalam pembinaan dan pengawasan terhadap BAZNAS dan LAZ.

(2) Pembinaan sebagaimana dimaksud pada ayat (1) dilakukan dalam rangka:
   a. meningkatkan kesadaran masyarakat untuk menunaikan zakat melalui BAZNAS dan LAZ; dan
   b. memberikan saran untuk peningkatan kinerja BAZNAS dan LAZ.

(3) Pengawasan sebagaimana dimaksud pada ayat (1) dilakukan dalam bentuk:
   a. akses terhadap informasi tentang pengelolaan zakat yang dilakukan oleh BAZNAS dan LAZ; dan
   b. penyampaian informasi apabila terjadi penyimpangan dalam pengelolaan zakat yang dilakukan oleh BAZNAS dan LAZ.

BAB VII
SANKSI ADMINISTRATIF

Pasal 36

(1) Pelanggaran terhadap ketentuan sebagaimana dimaksud dalam Pasal 19, Pasal 23 ayat (1), Pasal 28 ayat (2) dan ayat (3), serta Pasal 29 ayat (3) dikenai sanksi administratif berupa:
    a. peringatan tertulis;
    b. penghentian sementara dari kegiatan; dan/atau
    c. pencabutan izin.
(2) Ketentuan lebih lanjut mengenai sanksi administratif sebagaimana dimaksud pada ayat (1) diatur dalam Peraturan Pemerintah.

BAB VIII
LARANGAN

Pasal 37

Setiap orang dilarang melakukan tindakan memiliki, menjaminkan, menghibahkan, menjual, dan/atau mengalihkan zakat, infak, sedekah, dan/atau dana sosial keagamaan lainnya yang ada dalam pengelolaannya.

Pasal 38

Setiap orang dilarang dengan sengaja bertindak selaku amil zakat melakukan pengumpulan, pendistribusian, atau pendayagunaan zakat tanpa izin pejabat yang berwenang.

BAB IX
KETENTUAN PIDANA

Pasal 39

Setiap orang yang dengan sengaja melawan hukum tidak melakukan pendistribusian zakat sesuai dengan ketentuan Pasal 25 dipidana dengan pidana penjara paling lama 5 (lima) tahun dan/atau pidana denda paling banyak Rp500.000.000,00 (lima ratus juta rupiah).

Pasal 40

Setiap orang yang dengan sengaja dan melawan hukum melanggar ketentuan sebagaimana dimaksud dalam Pasal 37 dipidana dengan pidana penjara paling lama 5 (lima) tahun dan/atau pidana denda paling banyak Rp500.000.000,00 (lima ratus juta rupiah).

Pasal 41

Setiap orang yang dengan sengaja dan melawan hukum melanggar ketentuan sebagaimana dimaksud dalam Pasal 38 dipidana dengan pidana kurungan paling lama 1 (satu) tahun dan/atau pidana denda paling banyak Rp50.000.000,00 (lima puluh juta rupiah).

Pasal 42

(1) Tindak pidana sebagaimana dimaksud dalam Pasal 39 dan Pasal 40 merupakan kejahatan.
(2) Tindak pidana sebagaimana dimaksud dalam Pasal 41 merupakan pelanggaran.

BAB X
KETENTUAN PERALIHAN

Pasal 43

(1) Badan Amil Zakat Nasional yang telah ada sebelum Undang-Undang ini berlaku tetap menjalankan tugas dan fungsi sebagai BAZNAS berdasarkan Undang-Undang ini sampai terbentuknya BAZNAS yang baru sesuai dengan Undang-Undang ini.
(2) Badan Amil Zakat Daerah Provinsi dan Badan Amil Zakat Daerah kabupaten/kota yang telah ada sebelum Undang-Undang ini berlaku tetap menjalankan tugas dan fungsi sebagai BAZNAS provinsi dan BAZNAS kabupaten/kota sampai terbentuknya kepengurusan baru berdasarkan Undang-Undang ini.
(3) LAZ yang telah dikukuhkan oleh Menteri sebelum Undang-Undang ini berlaku dinyatakan sebagai LAZ berdasarkan Undang-Undang ini.
(4) LAZ sebagaimana dimaksud pada ayat (3) wajib menyesuaikan diri paling lambat 5 (lima) tahun terhitung sejak Undang-Undang ini diundangkan.

BAB XI
KETENTUAN PENUTUP

Pasal 44

Pada saat Undang-Undang ini mulai berlaku, semua Peraturan Perundang-undangan tentang Pengelolaan Zakat dan peraturan pelaksanaan Undang-Undang Nomor 38 Tahun 1999 tentang Pengelolaan Zakat (Lembaran Negara Republik Indonesia Tahun 1999 Nomor 164; Tambahan Lembaran Negara Republik Indonesia Nomor 3885) dinyatakan masih tetap berlaku sepanjang tidak bertentangan dengan ketentuan dalam Undang-Undang ini.

Pasal 45

Pada saat Undang-Undang ini mulai berlaku, Undang-Undang Nomor 38 Tahun 1999 tentang Pengelolaan Zakat (Lembaran Negara Republik Indonesia Tahun 1999 Nomor 164; Tambahan Lembaran Negara Republik Indonesia Nomor 3885) dicabut dan dinyatakan tidak berlaku.

Pasal 46

Peraturan pelaksanaan dari Undang-Undang ini harus ditetapkan paling lama 1 (satu) tahun terhitung sejak Undang-Undang ini diundangkan.

Pasal 47

Undang-Undang ini mulai berlaku pada tanggal diundangkan.
Agar setiap orang mengetahuinya, memerintahkan pengundangan Undang-Undang ini dengan penempatannya dalam Lembaran Negara Republik Indonesia.

Disahkan di Jakarta
pada tanggal 25 November 2011

PRESIDEN REPUBLIK INDONESIA,

ttd.

DR. H. SUSILO BAMBANG YUDHOYONO

Diundangkan di Jakarta
pada tanggal 25 November 2011

MENTERI HUKUM DAN HAK ASASI MANUSIA
REPUBLIK INDONESIA,

ttd.

AMIR SYAMSUDIN

LEMBARAN NEGARA REPUBLIK INDONESIA TAHUN 2011 NOMOR 115

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ABOUT THE AUTHOR

Amelia Fauzia was born in Tangerang, March 25, 1971. She is a lecturer at the Faculty of Arts and Humanities and the Graduate School of Syarif Hidayatullah State Islamic University (UIN), Jakarta. She graduated from Islamic Boarding School Darunnajah Jakarta in 1990, and from undergraduate degree at UIN Jakarta, majoring in Islamic History and Civilization in 1995. She accomplished her Masters Degree in Islamic Studies program at the University of Leiden (1998), and her doctoral degree at the University of Melbourne (2008).

She is co-founder of Center for Languages and Cultures of UIN Jakarta (that is currently the Center for the Study of Religion and Culture-CSRC). She served as director of CSRC for 2009-2010. She is a member of National Waqf Board of Indonesia (Badan Wakaf Indonesia) 2010-2014. And recently has been appointed as Deputy Director of the Research Center of the Syarif Hidayatullah State Islamic University Jakarta.

She is interested in topics on Islam in Indonesia, philanthropy, democracy, peace building, Islamic history, and women. Among her recent publication are "Philanthropy, Social Justice and the Islamic Tradition" in *Alliance*, vol 15, no 4, December 2010; "Women, Islam and Philanthropy", in Susan Blackburn ed, et.al. *Indonesian Islam in a New Era: How Women Negotiate their Muslim Identities*, Monash University Press, 2008; and with Yuniyanti Chuzaifah, *Apakah Islam Agama untuk Perempuan* (PBB, 2003). She can be contacted at amelia_fauzia@yahoo.com.

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